

EXHIBIT 1

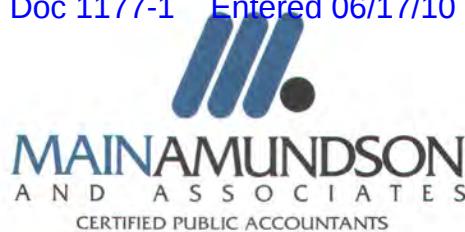
RHODES HOMES
AGREED UPON PROCEDURES
DECEMBER 31, 2008



RHODES HOMES
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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

OVERVIEW

We have performed the procedures enumerated below, which were agreed to by James M. Rhodes (Jim) and management of Rhodes Homes/Rhodes Design and Development, solely to assist you in ascertaining the accuracy of the "Inside – Outside CF True Up" schedule provided to us by Gary Fuchs, the former Chief Financial Officer (CFO) of "Rhodes Homes". This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report.

"Rhodes Homes" is an accumulation of entities engaged in the real estate development industry. Some of the entities are party to a lending facility with Credit Suisse and inevitably there are transactions or resources that "cross boundaries" and have some shared benefit. As such, Gary Fuchs, the former CFO, was asked by Jim Rhodes to perform a calculation summarizing the transactions up through the present time.

Mr. Fuchs was employed by Rhodes Homes originally as the corporate controller from January 2005 through May 2007. He was rehired as the CFO in September 2007. He was ultimately involved in the companies accounting operations and was extremely familiar with which entities were a party to the credit facility.

The CFO prior to Mr. Fuchs rejoining the company had performed an allocation of overhead for 2007, which was recorded as a liability between the companies inside and outside the facility, specifically Pinnacle Equipment Rental and Pinnacle Grading. The total of the 2007 allocation entry as recorded was \$960,312.91. This was less than two percent of the companies overall combined overhead for 2007; therefore, the amount of "reimbursement" is not a significant percentage of total expense. Our procedures did not extend to the 2007 calculation. However, we did review the recording of this amount in the records of the companies as an amount due to the facility.

Our calculation as of December 31, 2008 reflects \$1,550,522.22 due from companies within the credit facility. This calculation is shown at exhibit A. The amount includes some transactions that were for prior to 2008; therefore, this amount is considered a "cumulative" calculation as of the end of 2008. During our procedures we received

information and input from the company President, former CFO, company officers, accountants, attorneys (on staff and not on staff), and outside consultants.

PROCEDURES

The procedures enumerated below were intended to be an independent review of the company's transactions between companies, which are incorporated into "guarantor" to the Credit Suisse facility, and those companies, which are not.

- 1) Reviewed the components of the "Inside – Outside CF True Up" report supplied by Gary Fuchs, the former company CFO. We discussed the methodology with Mr. Fuchs as well as other executives in order to obtain an understanding of the calculations.
- 2) Reviewed the report information comparing to source documentation and/or third party verification for accuracy.
- 3) Verified the report information to company accounting records for the various respective entities.
- 4) Interviewed the respective "consultants/employees" to ascertain the reasonableness of percentages of time allocations to ventures.
- 5) Reviewed the supporting documentation to ascertain accuracy of advances by Mr. Rhodes personally for executive compensation.
- 6) Reviewed the questionnaires related to employee time allocation as the basis for overhead allocation. Reviewed the calculation for accuracy.
- 7) Reviewed the reconciliation of "inter-company" accounts, comparing such schedule to the company's accounting records and determining the cumulative amount due in/out of the credit facility.
- 8) Provided revisions to the "Inside – Outside CF True Up" report, as we deemed necessary, including explanations and schedules supporting our position.

The following is a description of the individual reconciliation items and the result of procedures applied to each:

“INSIDE – OUTSIDE CF TRUE UP” REPORT REVIEW

Received and reviewed the “Inside – Outside CF True Up” report from the companies’ former CFO Gary Fuchs. This report is comprised of various economic transactions and factors that occurred during 2004 though January 2009. The calculations and underlying thought process was reviewed with the former CFO and accounting staff, but without Jim Rhodes present. This was to avoid any engagement of discussion concerning the theory behind the calculations. The report (exhibit A) contains specific transactions that were considered loans between “inside” and “outside” the facility as well as an “allocation” of overhead that was considered to have been paid for by companies inside the facility for which the companies outside the facility had received some benefit.

During the procedures, the report, detailed transactions, and contents were discussed with management and consultants, both past and present.

KINGMAN HOUSE RENT (Exhibit D)

This amount of \$62,150 was for rent on three houses that were owned outside of the credit facility by Jim Rhodes personally. These houses were supplied to key employees of Pinnacle Grading or employees connected with the “Kingman” project for a period of twenty-five months. Therefore, it was deemed that consideration was due to Mr. Rhodes as the employees benefited the project inside the facility.

We reviewed the schedule of rent prepared and ascertained the employees were employed by Pinnacle Grading, Inc. by reviewing the employees w2s and/or 1099s for the period in question. The rent appeared reasonable at \$950 per house per month; therefore, we consider the amount as listed to be accurate.

TANTARA MODEL RENT (Exhibit E)

This amount represents rental payments made to Glynda Rhodes for a model home. The amount of \$76,880 represents twenty months of rent at a rate of \$3,844 per month. We reviewed the lease agreement comparing it to the rent paid. We also reviewed the transaction activity in the general ledger. The former CFO considered that since the sales were dropped in mid 2007 that the model was not needed. We reviewed the timeframes of the project completion to ascertain the “need” for the model after April 2007. Since twenty-two homes were closed subsequent to the “proposed” date of April 2007 through February 2008 we feel that model rent was justified through February 2008, therefore we are adjusting the former CFO’s schedule by the amount of \$38,440. The amounts of rent paid after February, 2008 have been repaid to the facility as of the date of this report.

The lease was "month to month" and did call for a 30-day notice. We assume this was a formality between the parties in this instance, therefore when the need for the model dissipated the rent should have ceased at that time.

EXECUTIVE COMPENSATION (Exhibit F)

Jim Rhodes had paid a portion of certain executives' compensation personally. This was done to avoid conflict in the office related to the amounts of compensation negotiated. The former CFO had made a calculation by individual to assign a percentage of the pay between companies within the credit facility and outside the facility. None of the executives are currently employed by Rhodes Homes.

We were not able to speak directly to Fred Chin or James Coyne. However, we did meet and have several discussions with Chris Stephens.

The employment time frames were spring 2004 through spring 2007 for Chin, spring 2004 through late fall 2007 for Coyne, and mid 2006 through mid 2008 for Stephens.

Procedures related to the executive compensation follow:

We reviewed the underlying financial support for the amounts paid by Mr. Rhodes outside of the company verifying the payments were made to the individuals noted. We reviewed the supporting documentation of the "compensation" paid by the company verifying the information portrayed for salaries per the former CFO's schedule.

We discussed the allocation method of the individual executives with the former CFO and with Mr. Rhodes as it related to the amount of time presented and the projects noted as being inside and outside the facility. Mr. Rhodes did take exception that Mr. Chin was 100% outside the facility for 11 months of 2006, in as much that he was the Chief Operating Officer (COO) of Rhodes Homes during this time and had responsibilities extending to the developments inside the facility. We were not able to speak personally with Mr. Chin, however, we did discuss the timeframe of the project work that was the subject of Mr. Chin being outside the facility for the 11 months with Paul Huygens, who was employed as CFO at that time. After reviewing what was Mr. Huygens opinion of Mr. Chin's schedule and responsibilities during the time period, we revised his time allocation to that of 50% inside and 50% outside the facility. Mr. Chin was still the COO of Rhodes Homes during this time period and had all the ongoing responsibilities of such. We do not believe a COO of a home builder could be relieved of ongoing management responsibilities for an 11 month period.

The "outside" compensation was comprised of direct payments made to Chin, Coyne, and Stephens from, and in the amounts of, a) a personal UBS investment account (\$1,825,000), b) a credit line with First National Bank established specifically for this

purpose (\$850,000), and c) a mortgage granted on the "Spirit Underground" building (\$500,000). These payments are reflected on exhibit F and labeled as above.

We also do not agree with the former CFO's allocation of 45% of Mr. Stephens' compensation to the credit facility property. Our assessment, which is based on the value of the property affected, is a more realistic approach. We feel the decision was made for entitlement based on the expected increase in property values. As such, Mr. Stephens' efforts produced increases in value and those values should be the determining factor in the allocation, thus linking the results with the associated costs.

We discussed the project values with John Gall, a real estate consultant on the project. Mr. Gall's correspondence concerning the values is included in this report under exhibit F. We also reviewed the maps of the project with a land development staff as well as Mr. Stephens.

We have also included a map reflecting the "annexation" of approximately sixty-five acres into the facility portion of Pravada to make the development more palatable.

We also noted that Mr. Stephens' lump sum payment to commence work was allocated on a weighted average scale based on efforts over the entire twenty month time frame of employment. However, the "up front" payment was intended as motivation for entitlement services on the Pravada project. We did not separately allocate this entire amount to Pravada, to which the effect would have been approximately two hundred thousand dollars in favor of "outside" the facility.

We also reviewed a map of Pravada, noting extensive washes in an aerial view and discussed the amount of acreage usability with Chris Stephens and John Gall. We noted the majority of all construction work being on the parcels (within the facility) that were residential golf course community, lack of access issues to outlying areas as well as significant washes, as well as the majority of the "buffer" (required for use/zoning) being from outside the facility portions of the development.

We reviewed the recording of \$3,427,640.61 as a liability to Desert Communities, Inc. from Rhodes Homes Arizona, to reimburse RHA for development services on the land outside the credit facility. This amount was discussed with Mr. Rhodes and former CFO Paul Huygens.

RANCHERO/SDC LAND/COST ALLOCATION (Exhibit G)

There was an arrangement between South Dakota Conservancy, LLC and Rhodes Homes Arizona, LLC/Elkhorn Investments, Inc, whereby lots were transferred into a company inside the facility and a residence was constructed.

The "Ranchero lots" were roughly 2.5 acre rural residential lots in an area outlying, but adjacent to, the Pravada development. Per a discussion with Mr. Rhodes, the pent up demand, as measured by the significant reservations at Pravada (and usage of existing

model homes), was the platform to launch development of the Ranchero lots. The total number of lots outside the facility as evidenced by the inventory list of developable lots was fifteen. Of these fifteen, ten had been transferred into the facility in the name of Elkhorn Investments, Inc.

There were development costs incurred on five lots by Rhodes Homes Arizona (RHA) in the amount of \$1,014,421 according to the CFO's schedule. In reviewing the general ledger we noted that the costs were spent by RHA. We agreed the information per the CFO schedule to the general ledger for Rhodes Homes Arizona on a test basis, noting descriptions of lot number and subdivision description.

Per a review of the Mojave County assessor roles we noted sale transactions occurring for the subdivision "Golden Valley" with the seller noted as Elkhorn Investments, which is an entity inside the facility. Other lots were listed as being owned by South Dakota Conservancy, LLC. These were the lots had not yet been transferred to Elkhorn Investments.

The developer/seller was intended to be inside the facility, the transfer just never happened as it did with past sale transactions at the Golden Valley subdivision.

As we believed this matter (construction costs being incurred on lots owned outside of the credit facility) would be remedied by the action of transfer of ownership this was discussed with management.

From discussions with the Clayton Rice, company counsel, Paul Huygens and Gary Fuchs, former CFOs, the property had not been transferred due to a provision in the credit agreement prohibiting the acquisition of additional property. We are not qualified to interpret the legalities of the amendment as to whether the transfer for no consideration of parcels between companies outside and inside the facility is an issue, but management has instructed us that the transfer has taken place, therefore, the land on which the development costs were expended are now within the facility.

Prior to the completion of our procedures the lots in question were deeded into the facility as intended, thus resolving the matter to the facility's benefit.

PINNACLE GRADING, LLC/PINNACLE EQUIPMENT RENTAL, LLC (Exhibit H)

Pinnacle Grading, LLC (PG) was established to perform grading and "dirt work" for developments inside the facility, outside the facility, and to non-affiliated customers, (which entire operations was for the benefit of the credit facility).

During 2007, Pinnacle Equipment Rental, LLC (PER) was established outside the facility to acquire and provide equipment for usage at the Arizona development. The reason that the company was set up and equipment purchased was due to the need for equipment at

the Pravada site due to the pace of construction, which was based on high demand (referenced by reservations) for the product planned.

Grading equipment was purchased by PER primarily prior to 2007. In a review of the general ledger, it was noted that over \$10 million of the construction equipment was purchased prior to 2007. In a discussion with Scott Scarborough and Pete Collins, management of Pinnacle Grading, the additional equipment was necessary due to the pace of construction at Pravada as well as the necessary "mix" of equipment for the work performed. Mr. Scarborough indicated that the equipment purchased in Pinnacle Grading was breaking due to the increased usage, so the development necessitated newer equipment to keep up with the pace. It was noted that Pinnacle Grading performed a significant percentage of work outside of the facility by a review of the general ledger revenue activity.

In our discussions with the management, including the CFO at the time Pinnacle Equipment Rental was established and the equipment purchased, as well as the CEO and production manager of Pinnacle Equipment Rental, there was a lease established between Pinnacle Equipment Rental and Pinnacle Grading for the usage of the Pinnacle Equipment Rental equipment. This lease was meant to essentially pay for the equipment.

Barring that the lease agreement could not be located, we consulted with a construction equipment dealer (Blaine Equipment) and received terms for an "operating" lease for like equipment for a period which made economic sense in light of the ongoing construction. The period of two years was selected as the majority of the equipment was purchased in November 2006 when the construction was fast paced. In our conversation with the dealer, a one year lease was not feasible, so a two year lease was selected. Using a residual of 50% and an interest rate of 12%, (information per the dealer was 48 to 52 percent residual and an interest rate of 11% to 13%) a payment was calculated for an operating lease for the equipment listed on the Pinnacle Equipment Rental depreciation schedule. This lease payment was adjusted based on additional equipment purchased and sold. Refer to exhibit H.

We also reviewed the equipment maintenance summary log for equipment and noted the hours on average being 230 per month. Normal usage for a standard operating lease as indicated from our discussion with the independent equipment dealer is 1,500 hours per year. This excess of over 50% would have a corresponding impact (extra lease charge) if the lease was actually "arms length". We did not adjust the lease payments for the extra hours the equipment was used due to the other circumstances surrounding the relationship.

The additional usage of the equipment would have significantly increased the rental costs to Pinnacle Grading had the lease been an arms length operating lease. We did not make an additional rental revenue adjustment, which would have been to the detriment of the facility. PER was established for the sole purpose of providing equipment to the Pravada project. PER sold the majority of its portfolio of equipment during 2008 and was able to recover its depreciated cost; therefore, not suffering significant economic strain as a

result of the equipment purchase and usage during its operating time period. Therefore, a transfer of wealth between the two companies does not make sense due to the underlying circumstances.

SUPERVISION CHARGE FOR DEVELOPMENT OUTSIDE THE FACILITY (Exhibit I)

The former CFO schedule notes \$209,356 as being supervision paid by Rhodes Homes of Arizona, LLC on behalf of Desert Communities, Inc, which is outside of the facility.

We reviewed the general ledger activity underlying this amount and noted the amount was primarily an invoice for work performed by Pinnacle Grading. We reviewed the invoice apprising the majority of the balance and found it to be within the normal course of business; therefore, this amount was repaid to within the facility.

ALVEREZ & MARSAL RETAINER (Exhibit J)

This expense was related to preparation of materials for the facilitation of the establishment of the credit facility itself. We reviewed the invoice as well as the retainer agreement. We reviewed a copy of the wire transfer of payment by Sagebrush, a company outside of the facility. This amount, \$75,000, was properly reimbursed to outside the facility.

LAND SALE DEPOSIT (Exhibit K)

We reviewed the general ledger entry for the respective accounting to validate the former CFO's position. This amount, \$ 8,209, was properly reimbursed to outside the facility.

STEWART OCCHIPINTI INVOICES (Exhibit L)

This expense was related to Rhodes Homes defense for litigation brought by Deutsche Bank. Deutsche Bank was originally entertained to perform the credit facility. We reviewed the invoices and portions of the complaint to ascertain the relationship to the credit facility. We reviewed copies of the cancelled checks for payments made by Sedora Holdings, LLC, a company outside of the facility. We also reviewed a copy of the cancelled check for the payment made by Sagebrush Enterprises, Inc., a company also outside the facility. These amounts totaling \$206,927 were properly reimbursed to outside the facility.

PALM HILLS WORK (Exhibit M)

This amount per the schedule of \$58,800 was related to “dirt” work performed by Pinnacle Grading for offsite dirt removal for the Palm Hills Development, which was a Rhodes development prior to the commencement of the facility. The work was in order to obtain release of offsite bonds required to be posted to protect municipal property from developer destruction.

The background is that Pinnacle Grading issued a bid for \$58,800 for the site work to be performed. Management thought this was excessive and engaged Pinnacle Grading on a “time and material” basis verbally. The work was performed by Pinnacle Grading. The “cost” records of Pinnacle Grading indicate “job cost” of \$27,093. At the time of our procedures, a price for the work had never been agreed to between Rhodes Design and Development and Pinnacle Grading. The former CFO used the \$58,800 on his schedule, however, we do feel the “markup” of over \$30,000 could be excessive but we don’t have a quantifiable basis to adjust the charge. Therefore, we made no change and the funds have been reimbursed to the facility.

MOTORCYCLE TRACK (Exhibit N)

We reviewed the job cost records which indicate that \$13,574 was spent by Pinnacle Grading on this project. The former CFO did not compute a mark up. We feel that any change would be immaterial; therefore, the amount was reimbursed to within the facility.

2008 OVERHEAD ALLOCATION (Exhibit O)

The 2008 overhead allocation was designed by the former CFO in an effort to reimburse companies inside the facility for any overhead that benefited (was spent) on companies and projects outside the facility. As such, the former CFO issued questionnaires to employees that he deemed to have some divided time. These questionnaires were compiled and the results analyzed, and the salaries allocated and an “overhead” burden added to the salary allocation.

We reviewed the questionnaires comparing them to the former CFO’s worksheet. We also compared the salary amounts to the payroll records on a test basis. We reviewed the overhead burden for reasonableness in light of things meant to be included.

This process appeared to accomplish the allocation of overhead as expected. Although when discussed with employees, there appeared to be some variations. We cannot see adjusting the allocation in light of the quantified evidence available. The calculations as performed by the former CFO appear to be conservative.

The schedule we received had an adjustment for overhead extending through January 2009. We adjusted the calculation to December 2008 in order to be consistent with the

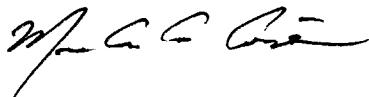
prior year calculation period being on an annual basis. The effect of this adjustment is \$50,986.

While reviewing payroll information related to other procedures it was discovered that a household employee of Mr. Rhodes was paid by Rhodes Design and Development for one month in 2007; therefore, the amount of \$3,508 has been included in this reports as a reimbursable from Mr. Rhodes. This amount includes a twenty percent allowance for benefits. When discussed with the corporate controller and director of human resources this was considered to be a mistake in payroll processing and an isolated incident. Considering the review of specific employee payroll for the 2007 and 2008 "true up" calculations by the CFO's in both years, we agree with this assessment.

LIMITATIONS

We were not engaged to and did not conduct an examination, the objective of which would be to express of an opinion on the accompanying "Inside – Outside CF True Up" schedule. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of James M. Rhodes (Jim) and Rhodes Homes/Rhodes Design and Development, and is not intended to be, and should not be, used by anyone other than these specified parties.



Main Amundson and Associates
March 20, 2009

Exhibit Table

- A Reconciliation summary
- B CFO "Inside-Outside CF True Up"
- C Organization chart
- D Kingman houses rental schedule
Salary information for employees
- E TanTara model lease schedule
Closing summary
Lease agreement
- F Compensation calculation
John Gall letter
Company compensation support
Project maps
Rhodes payments outside of facility
Credit line payments
Wires from brokerage
Spirit Underground building mortgage
Escrow statement reflecting payment
James Coyne agreement
2007 allocation journal entry
CFO compensation calculation
MAAA compensation calculation
Journal entry for cost allocation to "outside" entity
- G Ranchero reconciliation of improvement costs
Ranchero lot inventory
Lots in question
Deeds transferring lots
- H Pinnacle Grading, LLC/Pinnacle Equipment Rental, LLC reconciliation
Summary of transactions
Summary of lease payments/payments
Lease calculation schedules
Equipment schedules
Reservation schedule
Maintenance schedule
Intercompany receivable/payable balances
Pinnacle Equipment Rental
Pinnacle Grading
CFO schedule
- I Desert Communities/Rhodes Homes Arizona Charges
Detail of balances
Invoice for major part
- J Alvarez & Marsal Retainer
Invoice
Verification of payment
- K Land Sale deposit
General ledger activity
- L Stewart Occhipinti Invoices
Invoices
Verification of payments
- M Palm Hills Work
Proposal
Job cost records
- N Motorcycle Track
Cost records
- O Overhead allocations
Reconciliation of differences (CFO to MAAA)
Breakdown spreadsheets
Questionnaires
- P Intercompany AR/AP inside/outside
Detail of overall reconciliation

F

Executive Compensation
Summary of Differences

	<u>Fred Chin</u>	<u>James Coyne</u>	<u>Chris Stephens</u>
Net Due To (From) Outside Facility Per Former CFO	290,739.83	(76,077.25)	348,061.86
Net Due To (From) Outside Facility Per MAAA	<u>435,829.54</u>	<u>(46,671.62)</u>	<u>1,308,942.75</u>
Difference	<u>145,089.71</u>	<u>29,405.63</u>	<u>960,880.89</u>

Note> The above differences between the former CFO and MAAA on what is due to (from) outside the facility arises from the adjustments below and the adjustment to the allocation of time spent inside/outside the facility. Refer to the "Executive Compensation" section of the report for a detailed narrative relating to the changes in the allocation percentages.

Total Compensation Paid Per Former CFO	2,029,081.69	653,496.00	2,929,615.57
Total Compensation Paid Per MAAA	<u>2,321,991.88</u>	<u>958,668.49</u>	<u>2,938,122.19</u>
Difference	<u>292,910.19</u>	<u>305,172.49</u>	<u>8,506.62</u>

Analysis of Differences

First National Line Payments	(39,221.05)	150,000.00	-
Portion of Spirit Building	344,827.59	155,172.41	-
Adjust to 2006 W-2	(12,696.35)	-	-
Adjust to 2008 W-2	-	-	11,506.62
Adjust to actual UBS pymts	-	-	(3,000.00)
	<u>292,910.19</u>	<u>305,172.41</u>	<u>8,506.62</u>

03/20/2009

Mr. Jim Main
Main Amundson and Associates
10191 Park Run Drive, Suite 200
Las Vegas, NV 89145

Dear Mr. Main,

I would like to take a moment to review correspondence from Mr. Gary Fuchs, and myself regarding the entitlement work conducted on the Pravada master planned community in Golden Valley, Arizona.

My initial conversations with Mr. Fuchs revolved around the amount of time and effort used in the entitlement process, as it pertained to the holdings by the credit facility. I then prepared a casual review of Mr. Fuchs request and began a cursory investigation of his request and prepared a rough draft of my initial findings for his review and comment.

After speaking to Mr. Fuchs in more detail about my initial draft and obtaining a deeper understanding of his request, it became apparent that a more in depth analysis of the project and scope of work needed to be performed. Prior to my completion of this process, Mr. Fuchs left Rhodes Homes and I was unable to provide him my final analysis and advise him, to disregard my previous draft analysis.

After understanding the exact nature of the request by Mr. Fuchs, to examine the amount of resources devoted to the entitlement process and the value gained by the portions held by the facility. Shortly thereafter, I began to do a more detailed analysis enlisting the project engineer, Mr. Jerry Slater of Slater Hanafin Group.

Mr. Slater's review of the overlying flood plain areas, clearly indicate, that most, if not all, of the parcels, outside of the facility's boundaries, are in fact potentially not usable. Please see the attached exhibit prepared by Slater Hanafin Group. This exhibit demonstrates that the majority of Pravada's parcels not within the facilities boundaries are clearly subject to potential intense flooding, lying within the FEMA flood plain overlay zone A, which within all reality, may render them unusable and valueless. Mohave County, more specifically Golden Valley, are subject to intense burst of rainfall and any flood plain areas, are not only required under state and federal law required to be given grave consideration, but from a developer standpoint make these identified areas of the project extremely difficult if not impossible to develop.

Arizona Land Quest LLC



I would also suggest, that the amount of time and effort devoted to the entitlement of a small project or a large project are the relatively the same. Under the current Mohave County land use regulations and Arizona Revised Statutes, all projects of this nature, must undergo the same process. The same amount of public meetings, meetings with policy makers and staff are required. Although the complexity of each projects differ by their very nature, the amount of time and effort is relatively the same.

Based on this comprehensive and final review of the Pravada entitlement. I feel that ninety percent of the work performed was directly attributed to the credit facility and only ten percent to Rhodes Homes Arizona LLC.

Sincerely,

John R Gall
President

Arizona Land Quest LLC

Arizona Land Quest LLC

8783 Brindisi Park Ave. Las Vegas NV 89148
P 928-41-4159 F 800-540-1586 AZLANDQUEST@GMAIL.COM

Copy B To Be Filed With Employee's Federal Tax Return			2006	OMB No. 1545-0008
a Control Number SEDO4730 1 Chin Frederick 1	1 Wages, tips, other comp. 384172.15	2 Federal income tax withheld 114066.17		
b Employer ID number [REDACTED]	3 Social security wages 94200.00	4 Social security tax withheld 5840.40		
	5 Medicare wages and tips 384172.15	6 Medicare tax withheld 5570.50		
c Employer's name, address, and ZIP code Sedora Holdings 4730 S. Fort Apache Rd Ste 300 Las Vegas, NV 89147				
d Employee's social security number [REDACTED]				
e Employee's first name and initial Last name Frederick Chin [REDACTED]				
f Employee's address, and ZIP code 7 Social security tips 16 State Empir.'s state I.D. # NV				
8 Allocated tips 10 Dependent care benefits		9 Advance EIC payment 11 Nonqualified plans	12a Code See inst. for box 12	
13 Statutory employee Retirement plan Third-party sick pay		12b Code 12c Code 12d Code	14 Other 8125 3131.50	
16 State Empir.'s state I.D. # NV		17 State income tax 384172.15	18 State wages, tips, etc. 16 State wages, tips, etc.	
18 Local wages, tips, etc.		19 Local income tax	20 Locality name	

Form W-2 Wage and Tax Statement
This information is being furnished to the Internal Revenue Service

Dept. of the Treasury - IRS

Copy C For EMPLOYEE'S RECORDS (See Notice to Employee on back of Copy B.)			2006	OMB No. 1545-0008
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Form W-2 Wage and Tax Statement
This information is being furnished to the IRS. If you are required to file a tax return, a negligence penalty/other sanction may be imposed on you if this income is taxable and you fail to report it.

Copy 2 To Be Filed With Employee's State, City, or Local Income Tax Return			2006	OMB No. 1545-0008
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d Employee's social security number [REDACTED]				
e Employee's first name and initial Last name Frederick Chin [REDACTED]				
f Employee's address, and ZIP code 7 Social security tips 16 State Empir.'s state I.D. # NV				
8 Allocated tips 10 Dependent care benefits		9 Advance EIC payment 11 Nonqualified plans	12a Code See inst. for box 12	
13 Statutory employee Retirement plan Third-party sick pay		12b Code 12c Code 12d Code	14 Other 8125 3131.50	
16 State Empir.'s state I.D. # NV		17 State income tax 384172.15	18 State wages, tips, etc. 16 State wages, tips, etc.	
18 Local wages, tips, etc.		19 Local income tax	20 Locality name	

Form W-2 Wage and Tax Statement

Dept. of the Treasury - IRS

Extra Employee Copy			2006	OMB No. 1545-0008
a Control Number SEDO4730 1 Chin Frederick 1	1 Wages, tips, other comp. 384172.15	2 Federal income tax withheld 114066.17		
b Employer ID number [REDACTED]	3 Social security wages 94200.00	4 Social security tax withheld 5840.40		
	5 Medicare wages and tips 384172.15	6 Medicare tax withheld 5570.50		
c Employer's name, address, and ZIP code Sedora Holdings 4730 S. Fort Apache Rd Ste 300 Las Vegas, NV 89147				
d Employee's social security number [REDACTED]				
e Employee's first name and initial Last name Frederick Chin [REDACTED]				
f Employee's address, and ZIP code 7 Social security tips 16 State Empir.'s state I.D. # NV				
8 Allocated tips 10 Dependent care benefits		9 Advance EIC payment 11 Nonqualified plans	12a Code See inst. for box 12	
13 Statutory employee Retirement plan Third-party sick pay		12b Code 12c Code 12d Code	14 Other 8125 3131.50	
16 State Empir.'s state I.D. # NV		17 State income tax 384172.15	18 State wages, tips, etc. 16 State wages, tips, etc.	
18 Local wages, tips, etc.		19 Local income tax	20 Locality name	

Form W-2 Wage and Tax Statement

Dept. of the Treasury - IRS

Copy B To Be Filed With Employee's FEDERAL Tax Return		2007	OMB No. 1545-0008
a Employee's social security number	1 Wages, tips, other comp. 85151.45	2 Federal income tax withheld 22815.80	
b Employer ID number	3 Social security wages 85151.45	4 Social security tax withheld 5279.39	
c Employer's name, address, and ZIP code	5 Medicare wages and tips 85151.45	6 Medicare tax withheld 1234.70	

The Rhodes Companies, LLC
4730 S. Fort Apache Rd. Suite 300
Las Vegas, NV 89147

d Control Number
RHO4730 1 Chin Frederick K 1

e Employee's first name and initial Last name

Frederick K Chin

f Employee's address, and ZIP code

7 Social security tips	8 Allocated tips	9 Advance EIC payment
10 Dependent care benefits	11 Nonqualified plans	12a Code See Inst. for box 12
13 Statutory employee	14 Other S125 222.00	12b Code
Retirement plan		12c Code
Third-party sick pay		12d Code
NV [REDACTED]	85151.45	
16 State Empkr's state I.D. #	18 State wages, tips, etc.	17 State income tax
18 Local wages, tips, etc.	19 Local income tax	20 Locality name

Form W-2 Wage and Tax Statement

This information is being furnished to the Internal Revenue Service

Dept. of the Treasury - IRS

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b Employer ID number	3 Social security wages 85151.45	4 Social security tax withheld 5279.39	
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d Control Number
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e Employee's first name and initial Last name

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7 Social security tips	8 Allocated tips	9 Advance EIC payment
10 Dependent care benefits	11 Nonqualified plans	12a Code See Inst. for box 12
13 Statutory employee	14 Other S125 222.00	12b Code
Retirement plan		12c Code
Third-party sick pay		12d Code
NV [REDACTED]	85151.45	
16 State Empkr's state I.D. #	18 State wages, tips, etc.	17 State income tax
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Form W-2 Wage and Tax Statement

Dept. of the Treasury - IRS

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The Rhodes Companies, LLC
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7 Social security tips	8 Allocated tips	9 Advance EIC payment
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13 Statutory employee	14 Other S125 222.00	12b Code
Retirement plan		12c Code
Third-party sick pay		12d Code
NV 20-3613060	85151.45	
16 State Empkr's state I.D. #	18 State wages, tips, etc.	17 State income tax
18 Local wages, tips, etc.	19 Local income tax	20 Locality name

Form W-2 Wage and Tax Statement

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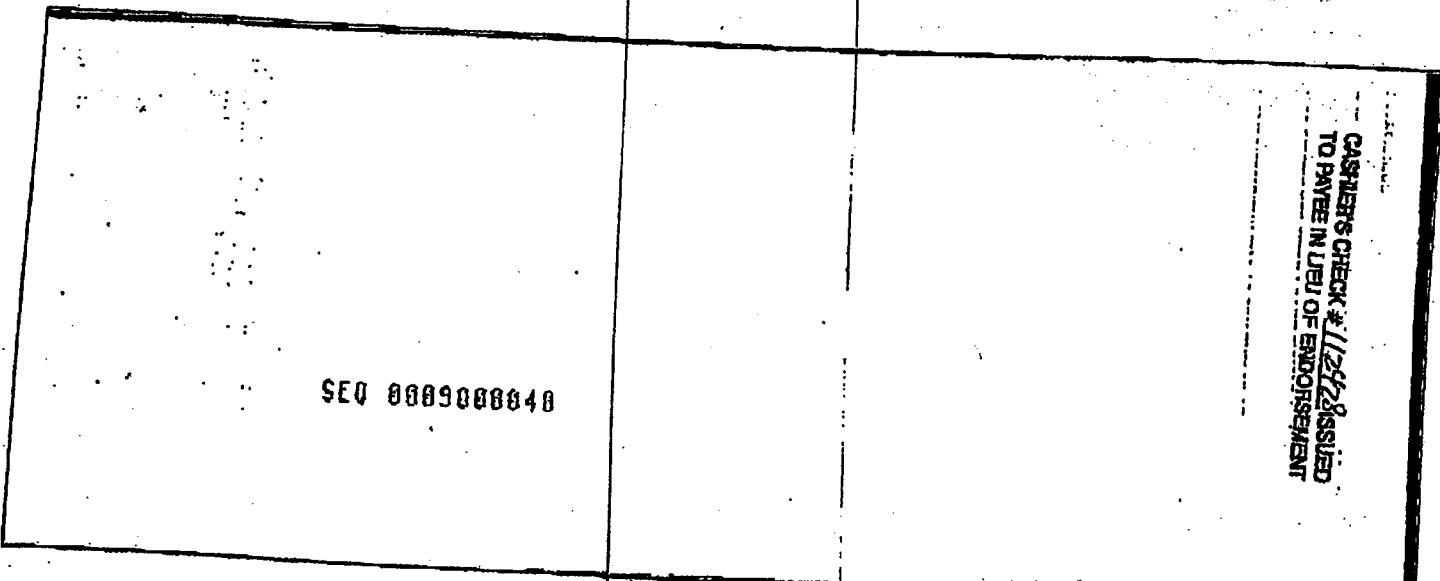
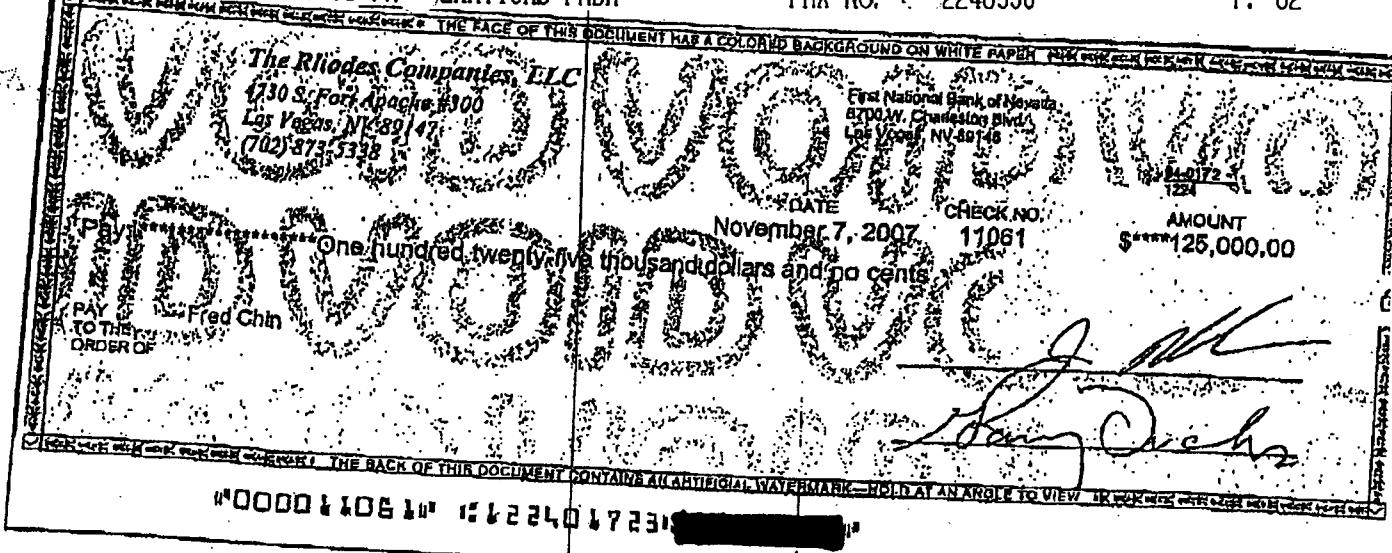
Form W-2 Wage and Tax Statement

Dept. of the Treasury - IRS

MAR-17-2009 TUE 05:18 PM OPERATIONS FNBA

FAX NO. 2248530

P. 02



AP Accounts Payable - Billed & Billed

File Edit Tasks Setup Inquiry Reports Tools Window Help

AP Inquiry - Invoice Register - Invoice Summary

Vendor: 03014 - Frederick Chin

Invoice On-h Description Invoice Date Original Amount Discount Offered Accounting Date Amount Paid

072304		employee reimburse	7-27-2004	184.21		7-27-2004	184.21
100704		Employee reimbursement	10-07-2004	1,222.00		10-07-2004	1,222.00
06/15/04		reimburse	6-15-2004	990.42		6-15-2004	990.42
08/24/04		reimburse	8-04-2004	696.89		8-25-2004	696.89
082704-A		Employee reimbursement	8-27-2004	346.43		8-31-2004	346.43
082704-B		Employee reimbursement	8-27-2004	676.56		8-31-2004	676.56
10/7/04		Employee reimbursement	9-28-2004	440.00		10-07-2004	440.00
11/7/07		Deferred compensation	11-07-2007	125,000.00		11-07-2007	125,000.00
4-28-05		Employee reimbursement	12-15-2005	756.94		12-15-2005	756.94
4/20/06		Expense Reimbursement	4-20-2006	11,458.59		4-21-2006	11,458.59
6/2/06		Expense Reimbursement	6-02-2006	4,396.22		6-14-2006	4,396.22
6/22/06		Expense Reimbursement	6-22-2006	4,338.75		6-27-2006	4,338.75
7/25/05		Reimbursement	7-25-2005	11,416.88		7-28-2005	11,416.88
7/28/04		Reimburse for Marriott	7-28-2004	1,925.10		7-28-2004	1,925.10
8/11/04		Reimbursement	8-11-2004	1,925.10		8-11-2004	1,925.10
EXP REP 2/27/07		Expense reimbursement	2-27-2007	4,816.82		3-02-2007	4,816.82
EXP REP 3/15/07		Expense Reimbursement	3-15-2007	1,283.93		3-21-2007	1,283.93

Close Cancel Conditions... Change view... Attachments... Form view... Select Jump Go to... Distributions... Help

AP Accounts Payable - Billed & Billed

File Edit Tasks Setup Inquiry Reports Tools Window Help

AP Inquiry - Invoice Register - Distribution Summary

Invoice: 11/7/07 - Deferred compensation

Vendor On-h Accounting Date Description Amount Amount Paid Amount Open PO Accounts Payable Account

03014		11-07-2007	Deferred compensation	125,000.00	125,000.00	.00		rdd-0000-00-2120.000
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Copy B To Be Filed With Employee's Federal Tax Return			2006	OMB No. 1545-0006
a Control Number SEDO4730 3 coyne James G. 3	1 Wages, tips, other comp. 178868.50	2 Federal income tax withheld 42848.40		
b Employer ID number [REDACTED]	3 Social security wages 94200.00	4 Social security tax withheld 5840.40		
c Employer's name, address, and ZIP code Sedora Holdings 4730 S. Fort Apache Rd Ste 300 Las Vegas, NV 89147	5 Medicare wages and tips 178868.50	6 Medicare tax withheld 2593.59		
d Employee's social security number [REDACTED]				
e Employee's first name and initial Last name James G Coyne [REDACTED]				
f Employee's address, and ZIP code [REDACTED]				
7 Social security tips	8 Allocated tips	9 Advance EIC payment		
10 Dependent care benefits	11 Nonqualified plans	12a Code See Inst. for box 12		
13 Statutory employee Retirement plan Third-party sick pay	14 Other S125 1131.58	12b Code 12c Code 12d Code		
NV [REDACTED]	178868.50			
16 State Emp'l's state I.D. #	16 State wages, tips, etc.	17 State income tax		
18 Local wages, tips, etc.	19 Local income tax	20 Locality name		

Form W-2 Wage and Tax Statement

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d Employee's social security number [REDACTED]				
e Employee's first name and initial Last name James G Coyne [REDACTED]				
f Employee's address, and ZIP code [REDACTED]				
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10 Dependent care benefits	11 Nonqualified plans	12a Code See Inst. for box 12		
13 Statutory employee Retirement plan Third-party sick pay	14 Other S125 1131.58	12b Code 12c Code 12d Code		
NV [REDACTED]	178868.50			
16 State Emp'l's state I.D. #	16 State wages, tips, etc.	17 State income tax		
18 Local wages, tips, etc.	19 Local income tax	20 Locality name		

Form W-2 Wage and Tax Statement

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Copy 2 To Be Filed With Employee's State, City, or Local Income Tax Return			2006	OMB No. 1545-0006
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b Employer ID number [REDACTED]	3 Social security wages 94200.00	4 Social security tax withheld 5840.40		
c Employer's name, address, and ZIP code Sedora Holdings 4730 S. Fort Apache Rd Ste 300 Las Vegas, NV 89147	5 Medicare wages and tips 178868.50	6 Medicare tax withheld 2593.59		
d Employee's social security number [REDACTED]				
e Employee's first name and initial Last name James G Coyne [REDACTED]				
f Employee's address, and ZIP code [REDACTED]				
7 Social security tips	8 Allocated tips	9 Advance EIC payment		
10 Dependent care benefits	11 Nonqualified plans	12a Code See Inst. for box 12		
13 Statutory employee Retirement plan Third-party sick pay	14 Other S125 1131.58	12b Code 12c Code 12d Code		
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16 State Emp'l's state I.D. #	16 State wages, tips, etc.	17 State income tax		
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c Employer's name, address, and ZIP code Sedora Holdings 4730 S. Fort Apache Rd Ste 300 Las Vegas, NV 89147	5 Medicare wages and tips 178868.50	6 Medicare tax withheld 2593.59		
d Employee's social security number 345-52-0776				
e Employee's first name and initial Last name James G Coyne [REDACTED]				
f Employee's address, and ZIP code [REDACTED]				
7 Social security tips	8 Allocated tips	9 Advance EIC payment		
10 Dependent care benefits	11 Nonqualified plans	12a Code See Inst. for box 12		
13 Statutory employee Retirement plan Third-party sick pay	14 Other S125 1131.58 2018000.00	12b Code 12c Code 12d Code		
NV [REDACTED]	178868.50			
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Form W-2 Wage and Tax Statement

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a Employee's social security number	1 Wages, tips, other comp. 111990.08	2 Federal income tax withheld 26869.31																																										
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c Employer's name, address, and ZIP code	5 Medicare wages and tips 111990.08	6 Medicare tax withheld 1623.86																																										
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<p>Rhodes Homes- Arizona 313 So. Aztec Road Golden Valley, AZ 86413</p> <p>d Control Number RHAZ2215 673 Coyne James G 673</p> <p>e Employee's first name and initial Last name James G Coyne</p> <p>f Employee's address, and ZIP code</p>																																												
<table border="1"> <tr> <td>7 Social security tips</td> <td>8 Allocated tips</td> <td>9 Advance EIC payment</td> <td colspan="2"></td> </tr> <tr> <td>10 Dependent care benefits</td> <td>11 Nonqualified plans</td> <td>12a Code See Inst. for box 12</td> <td colspan="2"></td> </tr> <tr> <td>13 Statutory employee</td> <td>14 Other S125 413.00</td> <td>12b Code</td> <td colspan="2"></td> </tr> <tr> <td>Retirement plan</td> <td></td> <td>12c Code</td> <td colspan="2"></td> </tr> <tr> <td>Third-party sick pay</td> <td></td> <td>12d Code</td> <td colspan="2"></td> </tr> <tr> <td>AZ [REDACTED]</td> <td>111990.08</td> <td>4600.52</td> <td colspan="2"></td> </tr> <tr> <td>16 State Emp'l's state I.D. #</td> <td>16 State wages, tips, etc.</td> <td>17 State income tax</td> <td colspan="2"></td> </tr> <tr> <td>18 Local wages, tips, etc.</td> <td>19 Local income tax</td> <td>20 Locality name</td> <td colspan="2"></td> </tr> </table>					7 Social security tips	8 Allocated tips	9 Advance EIC payment			10 Dependent care benefits	11 Nonqualified plans	12a Code See Inst. for box 12			13 Statutory employee	14 Other S125 413.00	12b Code			Retirement plan		12c Code			Third-party sick pay		12d Code			AZ [REDACTED]	111990.08	4600.52			16 State Emp'l's state I.D. #	16 State wages, tips, etc.	17 State income tax			18 Local wages, tips, etc.	19 Local income tax	20 Locality name		
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Form W-2 Wage and Tax Statement

Dept. of the Treasury - IRS

Copy B To Be Filed With Employee's FEDERAL Tax Return			2007	OMB No. 1545-0008
a Employee's social security number	1 Wages, tips, other comp. 79438.92	2 Federal income tax withheld 18991.23		
b Employer ID number	3 Social security wages 79438.92	4 Social security tax withheld 4925.21		
c Employer's name, address, and ZIP code	6 Medicare wages and tips 79438.92	8 Medicare tax withheld 1151.86		
<p>The Rhodes Companies, LLC 4730 S. Fort Apache Rd. Suite 300 Las Vegas, NV 89147</p> <p>d Control Number RHC04730 619 Coyne James G 619</p> <p>e Employee's first name and initial Last name James G Coyne</p> <p>f Employee's address, and ZIP code [REDACTED]</p>				
7 Social security tips	8 Allocated tips	9 Advance EIC payment		
10 Dependent care benefits	11 Nonqualified plans	12a Code See Inst. for box 12		
13 Statutory employee	14 Other 8125 404.00	12b Code		
Retirement plan		12c Code		
Third-party sick pay		12d Code		
NV [REDACTED]	79438.92			
16 State Empkr's state I.D. #	16 State wages, tips, etc.	17 State income tax		
18 Local wages, tips, etc.	19 Local income tax	20 Locality name		

Form W-2 Wage and Tax Statement

This information is being furnished to the Internal Revenue Service

Dept. of the Treasury - IRS

Copy C For EMPLOYEE'S RECORDS (See Notice to Employee on back of Copy B.)			2007	OMB No. 1545-0008
a Employee's social security number	1 Wages, tips, other comp. 79438.92	2 Federal income tax withheld 18991.23		
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7 Social security tips	8 Allocated tips	9 Advance EIC payment		
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Third-party sick pay		12d Code		
NV [REDACTED]	79438.92			
16 State Empkr's state I.D. #	16 State wages, tips, etc.	17 State income tax		
18 Local wages, tips, etc.	19 Local income tax	20 Locality name		

Form W-2 Wage and Tax Statement

This information is being furnished to the IRS. If you are required to file a tax return, a negligence penalty/other sanction may be imposed on you if this income is taxable and you fail to report it.

Dept. of the Treasury - IRS

Copy 2 To Be Filed With Employee's State, City, or Local Income Tax Return			2007	OMB No. 1545-0008
a Employee's social security number	1 Wages, tips, other comp. 79438.92	2 Federal income tax withheld 18991.23		
b Employer ID number	3 Social security wages 79438.92	4 Social security tax withheld 4925.21		
c Employee's name, address, and ZIP code	6 Medicare wages and tips 79438.92	8 Medicare tax withheld 1151.86		
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7 Social security tips	8 Allocated tips	9 Advance EIC payment		
10 Dependent care benefits	11 Nonqualified plans	12a Code See Inst. for box 12		
13 Statutory employee	14 Other 8125 404.00	12b Code		
Retirement plan		12c Code		
Third-party sick pay		12d Code		
NV [REDACTED]	79438.92			
16 State Empkr's state I.D. #	16 State wages, tips, etc.	17 State income tax		
18 Local wages, tips, etc.	19 Local income tax	20 Locality name		

Form W-2 Wage and Tax Statement

Dept. of the Treasury - IRS

Extra Employee Copy			2007	OMB No. 1545-0008
a Employee's social security number	1 Wages, tips, other comp. 79438.92	2 Federal income tax withheld 18991.23		
b Employer ID number	3 Social security wages 79438.92	4 Social security tax withheld 4925.21		
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NV [REDACTED]	79438.92			
16 State Empkr's state I.D. #	16 State wages, tips, etc.	17 State income tax		
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Form W-2 Wage and Tax Statement

Dept. of the Treasury - IRS

Copy B To Be Filed With Employee's FEDERAL Tax Return			2006	OMB No. 1545-0006
a Employee's social security number	1 Wages, tips, other comp. 207517.83	2 Federal income tax withheld 53369.38		
b Employer ID number	3 Social security wages 94200.00	4 Social security tax withheld 5840.40		
c Employer's name, address, and ZIP code	6 Medicare wages and tips 207517.83	7 Medicare tax withheld 3009.01		
Rhodes Design & Development 4730 S. Fort Apache Rd. Suite 300 Las Vegas, NV 89147				
d Control Number	RHDD4730 613 Stephens Christopher			
e Employee's first name and initial	Last name			
Christopher C Stephens				
f Employee's address, and ZIP code				
7 Social security tips	8 Allocated tips	9 Advance EIC payment		
10 Dependent care benefits	11 Nonqualified plans	12a Code See Inst. for box 12		
13 Statutory employee	14 Other S125 1713.00	12b Code		
Retirement plan		12c Code		
Third-party sick pay		12d Code		
NV	207517.83			
16 State Empl'r's state I.D. #	18 State wages, tips, etc.	17 State income tax		
18 Local wages, tips, etc.	19 Local income tax	20 Locality name		

Form W-2 Wage and Tax Statement

This information is being furnished to the Internal Revenue Service

Dept. of the Treasury - IRS

Copy C For EMPLOYEE'S RECORDS (See Notice to Employee on back of Copy B.)			2006	OMB No. 1545-0006
a Employee's social security number	1 Wages, tips, other comp. 207517.83	2 Federal income tax withheld 53369.38		
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Retirement plan		12c Code		
Third-party sick pay		12d Code		
NV	207517.83			
16 State Empl'r's state I.D. #	18 State wages, tips, etc.	17 State income tax		
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Form W-2 Wage and Tax Statement

This information is being furnished to the IRS. If you are required to file a tax return, a negligence penalty/other sanction may be imposed on you if this income is taxable and you fail to report it.

Copy 2 To Be Filed With Employee's State, City, or Local Income Tax Return			2006	OMB No. 1545-0006
a Employee's social security number	1 Wages, tips, other comp. 207517.83	2 Federal income tax withheld 53369.38		
b Employer ID number	3 Social security wages 94200.00	4 Social security tax withheld 5840.40		
c Employer's name, address, and ZIP code	6 Medicare wages and tips 207517.83	7 Medicare tax withheld 3009.01		
Rhodes Design & Development 4730 S. Fort Apache Rd. Suite 300 Las Vegas, NV 89147				
d Control Number	RHDD4730 613 Stephens Christopher			
e Employee's first name and initial	Last name			
Christopher C Stephens				
f Employee's address, and ZIP code				
7 Social security tips	8 Allocated tips	9 Advance EIC payment		
10 Dependent care benefits	11 Nonqualified plans	12a Code See Inst. for box 12		
13 Statutory employee	14 Other S125 1713.00	12b Code		
Retirement plan		12c Code		
Third-party sick pay		12d Code		
NV	207517.83			
16 State Empl'r's state I.D. #	18 State wages, tips, etc.	17 State income tax		
18 Local wages, tips, etc.	19 Local income tax	20 Locality name		

Form W-2 Wage and Tax Statement

Dept. of the Treasury - IRS

Extra Employee Copy			2006	OMB No. 1545-0006
a Employee's social security number	1 Wages, tips, other comp. 207517.83	2 Federal income tax withheld 53369.38		
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7 Social security tips	8 Allocated tips	9 Advance EIC payment		
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Retirement plan		12c Code		
Third-party sick pay		12d Code		
NV	207517.83			
16 State Empl'r's state I.D. #	18 State wages, tips, etc.	17 State income tax		
18 Local wages, tips, etc.	19 Local income tax	20 Locality name		

Form W-2 Wage and Tax Statement

Dept. of the Treasury - IRS

Copy B To Be Filed With Employee's FEDERAL Tax Return			2007	OMB No. 1545-0008
a Employee's social security number	1 Wages, tips, other comp. 543304.12	2 Federal income tax withheld 136531.00		
b Employer ID number	3 Social security wages 97500.00	4 Social security tax withheld 6045.00		
c Employer's name, address, and ZIP code	5 Medicare wages and tips 543304.12	6 Medicare tax withheld 7877.91		
<p>The Rhodes Companies, LLC 4730 S. Fort Apache Rd. Suite 300 Las Vegas, NV 89147</p> <p>d Control Number RHCO4730 613 Stephens Christopher</p> <p>e Employee's first name and initial Last name Christopher C Stephens</p> <p>f Employee's address, and ZIP code</p>				
7 Social security tips	8 Allocated tips	9 Advance EIC payment		
10 Dependent care benefits	11 Nonqualified plans	12a Code See Inst. for box 12		
13 Statutory employee	14 Other \$125 6696.00	12b Code		
Retirement plan		12c Code		
Third-party sick pay		12d Code		
NV	543304.12			
16 State Emp'l's state I.D. #	16 State wages, tips, etc.	17 State income tax		
18 Local wages, tips, etc.	19 Local income tax	20 Locality name		

Form W-2 Wage and Tax Statement

This information is being furnished to the Internal Revenue Service

Dept. of the Treasury - IRS

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13 Statutory employee	14 Other \$125 6696.00	12b Code		
Retirement plan		12c Code		
Third-party sick pay		12d Code		
NV	543304.12			
16 State Emp'l's state I.D. #	16 State wages, tips, etc.	17 State income tax		
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Form W-2 Wage and Tax Statement

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Copy 2 To Be Filed With Employee's State, City, or Local Income Tax Return			2007	OMB No. 1545-0008
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<p>The Rhodes Companies, LLC 4730 S. Fort Apache Rd. Suite 300 Las Vegas, NV 89147</p> <p>d Control Number RHCO4730 613 Stephens Christopher</p> <p>e Employee's first name and initial Last name Christopher C Stephens</p> <p>f Employee's address, and ZIP code</p>				
7 Social security tips	8 Allocated tips	9 Advance EIC payment		
10 Dependent care benefits	11 Nonqualified plans	12a Code See Inst. for box 12		
13 Statutory employee	14 Other \$125 6696.00	12b Code		
Retirement plan		12c Code		
Third-party sick pay		12d Code		
NV	543304.12			
16 State Emp'l's state I.D. #	16 State wages, tips, etc.	17 State income tax		
18 Local wages, tips, etc.	19 Local income tax	20 Locality name		

Form W-2 Wage and Tax Statement

Dept. of the Treasury - IRS

Extra Employee Copy			2007	OMB No. 1545-0008
a Employee's social security number	1 Wages, tips, other comp. 543304.12	2 Federal income tax withheld 136531.00		
b Employer ID number	3 Social security wages 97500.00	4 Social security tax withheld 6045.00		
c Employer's name, address, and ZIP code	5 Medicare wages and tips 543304.12	6 Medicare tax withheld 7877.91		
<p>The Rhodes Companies, LLC 4730 S. Fort Apache Rd. Suite 300 Las Vegas, NV 89147</p> <p>d Control Number RHCO4730 613 Stephens Christopher</p> <p>e Employee's first name and initial Last name Christopher C Stephens</p> <p>f Employee's address, and ZIP code</p>				
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Third-party sick pay		12d Code		
NV	543304.12			
16 State Emp'l's state I.D. #	16 State wages, tips, etc.	17 State income tax		
18 Local wages, tips, etc.	19 Local income tax	20 Locality name		

Form W-2 Wage and Tax Statement

Dept. of the Treasury - IRS

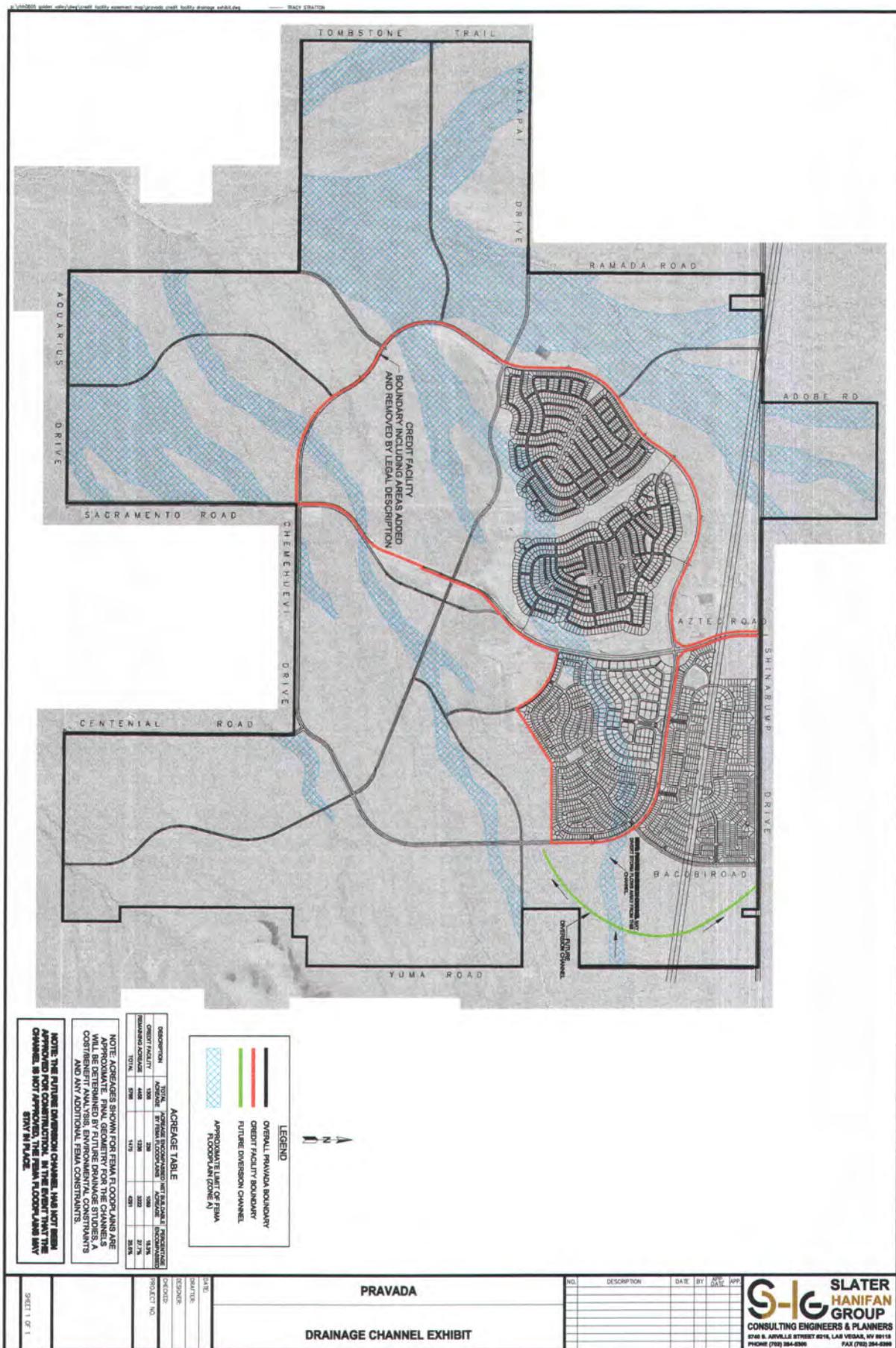
22222	Void <input type="checkbox"/>	a Employee's social security number [REDACTED]	OMB No. 1545-0008			
b Employer identification number (EIN) [REDACTED]		1 Wages, tips, other compensation 356891.24 2 Federal income tax withheld 88802.29				
c Employer's name, address, and ZIP code Rhodes Homes 4730 S. Fort Apache Road, #300 Las Vegas NV 89147		3 Social security wages 102000.00 4 Social security tax withheld 6324.00				
		5 Medicare wages and tips 356891.24 6 Medicare tax withheld 5174.92				
d Control number 35		7 Social security tips 8 Allocated tips				
e Employee's name, address, city and ZIP code Christopher Stephens		Suff.	9 Advance EIC payment 10 Dependent care benefits			
			11 Nonqualified plans 12a See instructions for box 12 12b 12c 12d			
			13 <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> 14 Other			
15 State NV	Employer's state ID number [REDACTED]	16 State wages, tips, etc. [REDACTED]	17 State income tax [REDACTED]	18 Local wages, tips, etc. [REDACTED]	19 Local income tax [REDACTED]	20 Locality name [REDACTED]

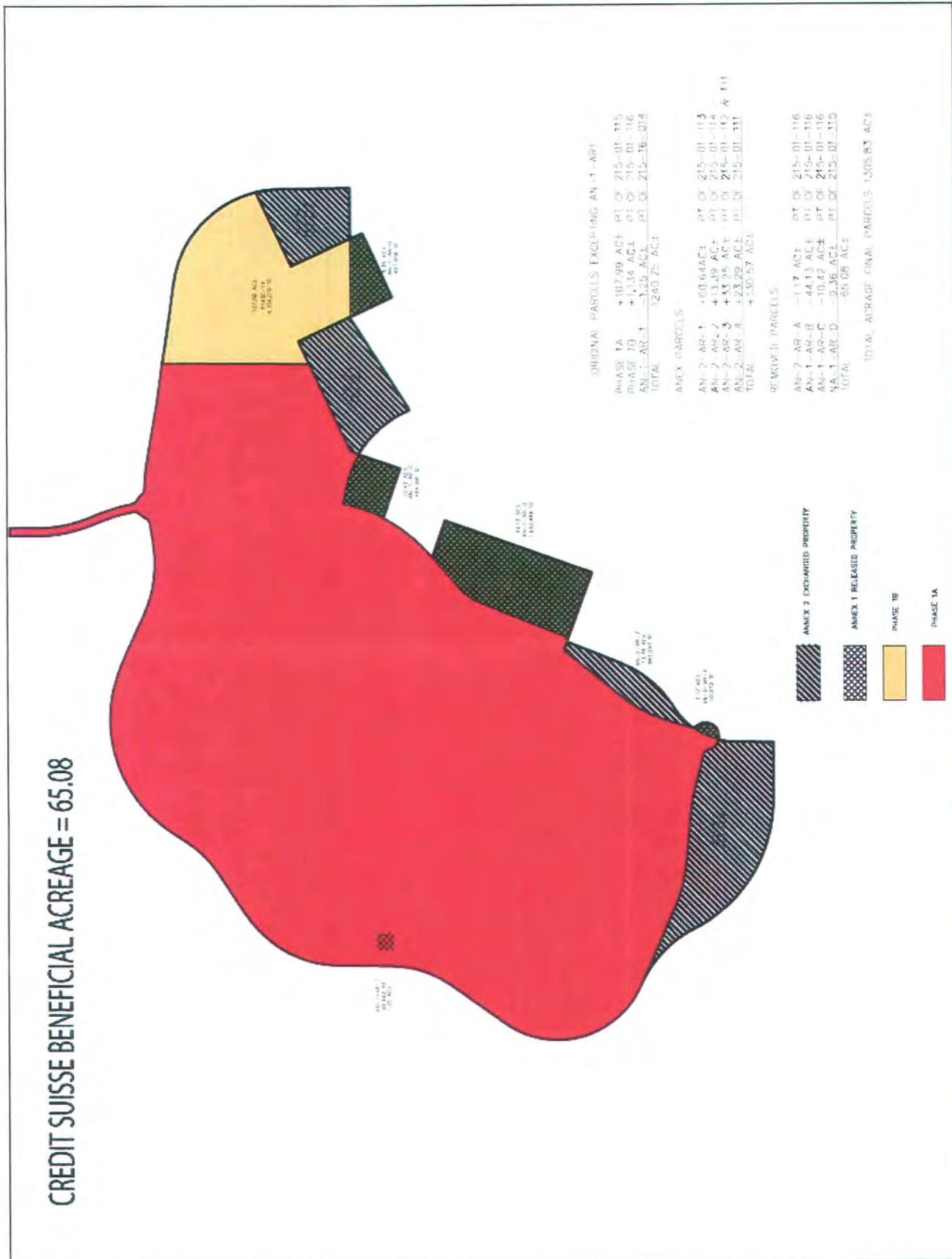
Form W-2 Wage and Tax Statement
Copy 1—For State, City, or Local Tax Department
Copy D—For Employer.

2008

Department of the Treasury—Internal Revenue Service
For Privacy Act and Paperwork Reduction Act Notice, see the back of Copy D.

 Printed on Recycled Paper





Disbursement

UBS FINANCIAL SERVICES INC.
555 CALIFORNIA STREET
SUITE 3200
SAN FRANCISCO, CA 94104
D011004-814 00000176200004362 [REDACTED] 00001E

Account Number **[REDACTED]** PAGE 1 OF 1

Branch Telephone Number
415-398-6400/800-873-0200
000004362 01 M/B 0-326 000000022 D240-R19
JAMES M RHODIES [REDACTED]

***Important.** Please retain for your records.*

We confirm the following disbursement transaction(s):
In accordance with your instructions, a disbursement has been made from your account to a recipient and/or address different from your UBS Financial Services Inc. mailing name and address. Details are listed below. If you have any questions regarding this notice, or would like to change any existing disbursement instructions, please contact the Manager of the branch.

Confirmation date:	06/26/2006	Activity	Quantity/Face value	Description	Net amount/value	Payee/Recipient
Transaction date						
06/23/2006						

BRANCH CHECK# FG03699 \$1,000,000.00 CHRIS STEPHENS

1,000,000.00+
37,500.00+
37,500.00+
37,500.00+
37,500.00+
37,500.00+
37,500.00+
37,500.00+
1,225,000.00*

37,500.00+
37,500.00+
37,500.00+
37,500.00+
37,500.00+
37,500.00+
37,500.00+
37,500.00+
37,500.00+
37,500.00+
37,500.00+
37,500.00+
37,500.00+
37,500.00+
412,500.00*

37,500.00+
37,500.00+
34,500.00+
37,500.00+
37,500.00+
184,500.00*

1,225,000.00+
412,500.00+
184,500.00+
822,000.00*

UBS FINANCIAL SERVICES INC.
555 CALIFORNIA STREET
SUITE 3200
SAN FRANCISCO, CA 94104
D011006518 0000001778300005784 [REDACTED] 0001E

Disbursement

Account Number [REDACTED] PAGE 1 OF 1

Branch Telephone Number
415-398-6400/800-873-0200

000005784 01 MB 0326 000000029 D240-R19

JAMES M RHODES [REDACTED]

00005784

Important. Please retain for your records.

We confirm the following disbursement transaction(s):
In accordance with your instructions, a disbursement has been made from your account to a recipient and/or address different from your UBS Financial Services Inc. mailing name and address. Details are listed below. If you have any questions regarding this notice, or would like to change any existing disbursement instructions, please contact the Manager of the branch servicing your account.

Confirmation date: 07/31/2006

Transaction date	Activity	Quantity/Face value	Description	Net amount/value	Payer/Recipient
07/28/2006	FED FUND WIRE	WIRE# 006654 FED# 0728B1Q8052C004288		\$37,500.00	WELLS FARGO BANK, NA ABA# 121000248 ACCOUNT# [REDACTED] CHRIS AND TAMARA STEPHENS

UBS FINANCIAL SERVICES INC.
 555 CALIFORNIA STREET
 SUITE 3200
 SAN FRANCISCO, CA 94104
 D011004361 0000001770500003813 [REDACTED] 0001E

Disbursement

Account Number [REDACTED] PAGE [REDACTED] 1 OF 1

Branch Telephone Number
 415-398-6400/800-873-0200

000003813 01 MB 0.326 000000020 D240-R19

JAMES M RHODES [REDACTED]

00003813 [REDACTED]
 [REDACTED]

Important. Please retain for your records.

We confirm the following disbursement transaction(s):
In accordance with your instructions, a disbursement has been made from your account to a recipient and/or address different from your UBS Financial Services Inc. mailing name and address. Details are listed below. If you have any questions regarding this notice, or would like to change any existing disbursement instructions, please contact the Manager of the branch servicing your account.

Confirmation date: 08/15/2006

<u>Transaction date</u>	<u>Activity</u>	<u>Quantity/Face value</u>	<u>Description</u>	<u>Net amount/value</u>	<u>Payer/Recipient</u>
08/14/2006	FED FUND WIRE		WIRE# 006260 FED# 0814B1Q8052C004587	\$37,500.00	WELLS FARGO BANK, NA ABA# 121000248 ACCOUNT# [REDACTED] CHRIS AND TAMARA STEPHENS

UBS FINANCIAL SERVICES INC.
555 CALIFORNIA STREET
SUITE 3200
SAN FRANCISCO, CA 94104
D011006404 000000776800005782 [REDACTED] 0001E

Disbursement

Account Number [REDACTED] PAGE 1 OF 1

Branch Telephone Number
415-398-6400/800-873-0200

000005782 01 MB 0.326 000000029 D240-R19

JAMES M RHODES [REDACTED]

000005782 [REDACTED]

Important. Please retain for your records.

We confirm the following disbursement transaction(s):
In accordance with your instructions, a disbursement has been made from your account to a recipient and/or address different from your UBS Financial Services Inc. mailing name and address. Details are listed below. If you have any questions regarding this notice, or would like to change any existing disbursement instructions, please contact the Manager of the branch servicing your account.

Confirmation date: 09/18/2006

Transaction date	Activity	Quantity/Face value	Description	Net amount/value	Payer/Recipient
09/15/2006	FED FUND WIR\$	WIRE# 005943 FED# 0915B1Q8052C002753		\$37,500.00	WELLS FARGO BANK, NA ABA# 121000248 ACCOUNT# [REDACTED] CHRIS AND TAMARA STEPHENS

Disbursement

UBS FINANCIAL SERVICES INC.
 555 CALIFORNIA STREET
 SUITE 3200
 SAN FRANCISCO, CA 94104
 D021078338 00000172900071680 [REDACTED] 0001E

Account Number [REDACTED] PAGE 1 OF 1

Branch Telephone Number
 415-398-6400/800-873-0200

Important. Please retain for your records.
 000162351 01 AT 0.308 000000845 D250-R46
 JAMES M RHODES [REDACTED]

00071680 [REDACTED]

We confirm the following disbursement transaction(s):
In accordance with your instructions, a disbursement has been made from your account to a recipient and/or address different from your UBS Financial Services Inc. mailing name and address. Details are listed below. If you have any questions regarding this notice, or would like to change any existing disbursement instructions, please contact the Manager of the branch servicing your account.

Confirmation date: 10/16/2006

Transaction date	Activity	Quantity/Face value	Description	Net amount/value	Payer/Recipient
10/13/2006	FED FUND WIRE		WIRE# 006547 FED# 1013B1Q8052C002740	\$37,500.00	WELLS FARGO BANK, NA ABA# 121000248 ACCOUNT# [REDACTED] CHRIS AND TAMARA STEPHENS

UBS FINANCIAL SERVICES INC.
 555 CALIFORNIA STREET
 SUITE 3200
 SAN FRANCISCO, CA 94104
 D011006026 000000178800005280 [REDACTED] 001E

Disbursement

Account Number [REDACTED] PAGE 1 OF 1

Branch Telephone Number
 415-398-6400/800-873-0200

000005280 01 MB 0.326 000000026 D240-R19

JAMES M. RHODES [REDACTED]

000005280

Important. Please retain for your records.

We confirm the following disbursement transaction(s):
In accordance with your instructions, a disbursement has been made from your account to a recipient and/or address different from your UBS Financial Services Inc. mailing name and address. Details are listed below. If you have any questions regarding this notice, or would like to change any existing disbursement instructions, please contact the Manager of the branch servicing your account.

Confirmation date: 11/20/2006

Transaction date	Activity	Quantity/Face value	Description	Net amount/value	Payer/Recipient
11/17/2006	FED FUND WIRE	WIRE# 006599 FED# 1117B1Q8052C003118		\$37,500.00	WELLS FARGO BANK, NA ABA# 121000248 ACCOUNT# [REDACTED] CHRIS AND TAMARA STEPHENS

UBS FINANCIAL SERVICES INC.
555 CALIFORNIA STREET
SUITE 3200
SAN FRANCISCO, CA 94104
D01106418 0000001782000005476 [REDACTED] 0001E

Disbursement

PAGE [REDACTED] 1 OF 1

Account Number [REDACTED]
Branch Telephone Number [REDACTED]
415-398-6400/800-873-0200
000005476 01 MB 0.326 000000027 D240-R19
JAMES M RHODES [REDACTED]
00005476

Important. Please retain for your records.

We confirm the following disbursement transaction(s):
In accordance with your instructions, a disbursement has been made from your account to a recipient and/or address different from your UBS Financial Services Inc. mailing name and address. Details are listed below. If you have any questions regarding this notice, or would like to change any existing disbursement instructions, please contact the Manager of the branch servicing your account.

Confirmation date: 12/14/2006

Transaction date	Activity	Quantity/Face value	Description	Net amount/value	Payer/Recipient
12/13/2006	FED FUND WIRE		WIRE# 006416 FED# 1213B1Q8152C006246	\$37,500.00	WELLS FARGO BANK, NA ABA# 121000248 ACCOUNT# [REDACTED] CHRIS AND TAMARA STEPHENS

UBS FINANCIAL SERVICES INC.
 555 CALIFORNIA STREET
 SUITE 3200
 SAN FRANCISCO, CA 94104
 D011008801 00000178900007971 [REDACTED] 00001E

Disbursement

Account Number [REDACTED] PAGE 1 OF 1

Branch Telephone Number
 415-398-6400/800-873-0200

Important. Please retain for your records.

000007971-01 MB 0.326 000000040 D240-R19

JAMES M RHODES

[REDACTED]
 00007971

We confirm the following disbursement transaction(s):
 In accordance with your instructions, a disbursement has been made from your UBS Financial Services Inc. mailing name and address.
 Details are listed below. If you have any questions regarding this notice, or would like to change any existing disbursement instructions, please contact the Manager of the branch servicing your account.

Confirmation date	Activity	Quantity/Face value	Description	Net amount/value	Payee/Recipient
01/12/2007	PED FUND WIRE		WIRE# 005667 FED# 0112B1Q8154C003661	\$37,500.00	WELLS FARGO BANK, NA ABA# 121000248 ACCOUNT# [REDACTED] CHRIS AND TAMARA STEPHENS

UBS FINANCIAL SERVICES INC.
 555 CALIFORNIA STREET
 SUITE 3200
 SAN FRANCISCO, CA 94104
 D011005742 00000175900005023 [REDACTED] 0001E

Disbursement

Account Number [REDACTED] PAGE 1 OF 1

Branch Telephone Number
 415-398-6400/800-873-0200

000005023 01 MB 0.326 000000025 D240-R19

JAMES M RHODES

00005023 [REDACTED]
 [REDACTED]

Important. Please retain for your records.

We confirm the following disbursement transaction(s):
In accordance with your instructions, a disbursement has been made from your account to a recipient and/or address different from your UBS Financial Services Inc. mailing name and address. Details are listed below. If you have any questions regarding this notice, or would like to change any existing disbursement instructions, please contact the Manager of the branch servicing your account.

Confirmation date: 02/13/2007

Transaction date	Activity	Quantity/Face value	Description	Net amount/value	Payer/Recipient
02/12/2007	FED FUND WIRE		WIRE# 005680 FED# 0212B1Q8153C005433	\$37,500.00	WELLS FARGO BANK, NA ABA# 121000248 ACCOUNT# [REDACTED] CHRIS AND TAMARA STEPHENS

UBS FINANCIAL SERVICES INC.
345 CALIFORNIA STREET
SUITE #2200
SAN FRANCISCO, CA 94104
D011005352 00000170860004670 [REDACTED] 0001E

Disbursement

Account Number [REDACTED] PAGE 1 OF 1

Branch Telephone Number [REDACTED]

415-398-6400/800-873-0200

00004670 01 MB 0.326 000000024 D240-R19

JAMES M RHODES [REDACTED]

00004670
[REDACTED]

Important. Please retain for your records.

We confirm the following disbursement transaction(s):
In accordance with your instructions, a disbursement has been made from your account to a recipient and/or address different from your UBS Financial Services Inc. mailing name and address. Details are listed below. If you have any questions regarding this notice, or would like to change any existing disbursement instructions, please contact the Manager of the branch servicing your account.

Confirmation date: 03/14/2007

Transaction date	Activity	Quantity/Face value	Description	Net amount/value	Payer/Recipient
03/13/2007	FED FUND WIRE		WIRE# 006434 FED# 0313B6B7IK2C003043	\$37,500.00	WELLS FARGO BANK, NA ABA# 121000248 ACCOUNT# [REDACTED] CHRIS AND TAMARA STEPHENS

UBS FINANCIAL SERVICES INC.
345 CALIFORNIA STREET
SUITE #2200
SAN FRANCISCO, CA 94104
D011010764 00000177200009880 [REDACTED] 0001E

Disbursement

Account Number [REDACTED] PAGE [REDACTED] 1 OF 1

Branch Telephone Number
415-398-6400/800-873-0200

00009880 01 MB 0326 00000050 D240-R19

JAMES M RHODES

00009880 [REDACTED]
[REDACTED]

Important. Please retain for your records.

We confirm the following disbursement transaction(s):
In accordance with your instructions, a disbursement has been made from your account to a recipient and/or address different from your UBS Financial Services Inc. mailing name and address. Details are listed below. If you have any questions regarding this notice, or would like to change any existing disbursement instructions, please contact the Manager of the branch servicing your account.

Confirmation date: 04/16/2007

Transaction date	Activity	Quantity/Face value	Description	Net amount/value	Payer/Recipient
04/13/2007	FED FUND WIRE	WIRE# 006550 FED# 0413B6B7IR2C002855		\$37,500.00	WELLS FARGO BANK, NA ABA# 121000248 ACCOUNT# [REDACTED] CHRIS AND TAMARA STEPHENS

UBS FINANCIAL SERVICES INC.
345 CALIFORNIA STREET
SUITE #2200
SAN FRANCISCO, CA 94104
D017006631 000000797000005968 [REDACTED] 0001E

Disbursement

Account Number	PAGE	1 OF 1
Branch Telephone Number	[REDACTED]	
415-398-6400/800-873-0200		
000005968 01 MB	0.326	000000030 D240-R79
JAMES M RHODES	[REDACTED]	[REDACTED]
00005968		

Important. Please retain for your records.

We confirm the following disbursement transaction(s):
In accordance with your instructions, a disbursement has been made from your account to a recipient and/or address different from your UBS Financial Services Inc. mailing name and address. Details are listed below. If you have any questions regarding this notice, or would like to change any existing disbursement instructions, please contact the Manager of the branch servicing your account.

Confirmation date: 05/16/2007

Transaction date	Activity	Quantity/Face value	Description	Net amount/value	Payer/Recipient
05/15/2007	FED FUND WIRE		WIRE# 006316 FED# 0515B6B7IK2C004159	\$37,500.00	WELLS FARGO BANK, NA ABA# 121000248 ACCOUNT# [REDACTED] CHRIS AND TAMARA STEPHENS

UBS FINANCIAL SERVICES INC.
 345 CALIFORNIA STREET
 SUITE #2200
 SAN FRANCISCO, CA 94104
 D011006393 00000174700005672 [REDACTED] 0001E

Disbursement

Account Number [REDACTED] PAGE 1 OF 1

Branch Telephone Number [REDACTED]
 415-398-6400/800-873-0200

000005672.01 MB 0.326 0000000029 D240-R19

JAMES M RHODES [REDACTED]

00005672

Important. Please retain for your records.

We confirm the following disbursement transaction(s):
In accordance with your instructions, a disbursement has been made from your account to a recipient and/or address different from your UBS Financial Services Inc. mailing name and address. Details are listed below. If you have any questions regarding this notice, or would like to change any existing disbursement instructions, please contact the Manager of the branch servicing your account.

Confirmation date: 07/17/2007

Transaction date	Activity	Quantity/Face value	Description	Net amount/value	Payer/Recipient
07/16/2007	FED FUND WIRE		WIRE# 005849 FED# 0716B6B7IR2C002290	\$37,500.00	WELLS FARGO BANK, NA ABA# 121000248 ACCOUNT# [REDACTED] CHRIS AND TAMARA STEPHENS

UBS FINANCIAL SERVICES INC.
 345 CALIFORNIA STREET
 SUITE #2200
 SAN FRANCISCO, CA 94104
 D011005916 00000177500005374 [REDACTED] 0001E

Disbursement

Account Number [REDACTED] PAGE 1 OF 1

Branch Telephone Number
 415-398-6400/800-873-0200

Important. Please retain for your records.

JAMES M RHODES [REDACTED]

00005374 [REDACTED]

We confirm the following disbursement transaction(s):
In accordance with your instructions, a disbursement has been made from your account to a recipient and/or address different from your UBS Financial Services Inc. mailing name and address. Details are listed below. If you have any questions regarding this notice, or would like to change any existing disbursement instructions, please contact the Manager of the branch servicing your account.

Confirmation date: 08/17/2007

<u>Transaction date</u>	<u>Activity</u>	<u>Quantity/Face value</u>	<u>Description</u>	<u>Net amount/value</u>	<u>Payer/Recipient</u>
08/16/2007	FED FUND WIRE		WIRE# 005697 FED# 0816B6B7IR2C002037	\$37,500.00	WELLS FARGO BANK, NA ABA# 121000248 ACCOUNT# [REDACTED] CHRIS AND TAMARA STEPHENS

UBS FINANCIAL SERVICES INC.
345 CALIFORNIA STREET
SUITE #2200
SAN FRANCISCO, CA 94104
D011005900 0000007759000005178 [REDACTED] 0001E

Disbursement

Account Number [REDACTED] PAGE 1 OF 1

Branch Telephone Number
415-398-6400/800-873-0200

Important. Please retain for your records.

JAMES M RHODES [REDACTED]

00005178 [REDACTED]

We confirm the following disbursement transaction(s):
In accordance with your instructions, a disbursement has been made from your account to a recipient and/or address different from your UBS Financial Services Inc. mailing name and address. Details are listed below. If you have any questions regarding this notice, or would like to change any existing disbursement instructions, please contact the Manager of the branch servicing your account.

Confirmation date: 09/18/2007

Transaction date	Activity	Quantity/Face value	Description	Net amount/value	Payer/Recipient
09/17/2007	FED FUND WIRE		WIRE# 005801 FED# 0917B6B7IK2C003082	\$37,500.00	WELLS FARGO BANK, NA ABA# 121000248 ACCOUNT# [REDACTED] CHRIS AND TAMARA STEPHENS

UBS FINANCIAL SERVICES INC.
 345 CALIFORNIA STREET
 SUITE #2200
 SAN FRANCISCO, CA 94104
 D011006430 000000179400005723 [REDACTED] 0001E

Disbursement

Account Number [REDACTED] PAGE 1 OF 1
 Branch Telephone Number 415-398-6400/800-873-0200
 00005723
 JAMES M RHODES [REDACTED]

Important. Please retain for your records.

We confirm the following disbursement transaction(s):
In accordance with your instructions, a disbursement has been made from your account to a recipient and/or address different from your UBS Financial Services Inc. mailing name and address. Details are listed below. If you have any questions regarding this notice, or would like to change any existing disbursement instructions, please contact the Manager of the branch servicing your account.

Confirmation date: 10/16/2007

Transaction date	Activity	Quantity/Face value	Description	Net amount/value	Payer/Recipient
10/15/2007	FED FUND WIRE		WIRE# 005718 FED# 1015B6B7IK2C002186	\$37,500.00	WELLS FARGO BANK, NA ABA# 121000248 ACCOUNT# [REDACTED] CHRIS AND TAMARA STEPHENS

UBS FINANCIAL SERVICES INC.
 345 CALIFORNIA STREET
 SUITE #2100
 SAN FRANCISCO, CA 94104
 D011005677 000001734000000031 [REDACTED] 0001E

Disbursement

Account Number [REDACTED] PAGE 1 OF 1

Branch Telephone Number
 415-398-6400/800-873-0200

Important. Please retain for your records.

JAMES M RHODES

00005031
 [REDACTED]

We confirm the following disbursement transaction(s):
In accordance with your instructions, a disbursement has been made from your account to a recipient and/or address different from your UBS Financial Services Inc. mailing name and address. Details are listed below. If you have any questions regarding this notice, or would like to change any existing disbursement instructions, please contact the Manager of the branch servicing your account.

Confirmation date: 11/14/2007

Transaction date	Activity	Quantity/Face value	Description	Net amount/value	Payer/Recipient
11/13/2007	FED FUND WIRE		WIRE# 007217 FED# 1113E6B71K2C005813	\$37,500.00	WELLS FARGO BANK, NA ABA# 121000248 ACCOUNT# [REDACTED] CHRIS AND TAMARA STEPHENS

UBS FINANCIAL SERVICES INC.
 345 CALIFORNIA STREET
 SUITE #2200
 SAN FRANCISCO, CA 94104
 D011024317 00000176200022396 [REDACTED] 0001E

Disbursement

Account Number [REDACTED] PAGE 1

Branch Telephone Number [REDACTED]
 415-398-6400/800-873-0200

Important. Please retain for your records.

JAMES M RHODDES

00022396
 [REDACTED]

We confirm the following disbursement transaction(s):
 In accordance with your instructions, a disbursement has been made from your account to a recipient and/or address different from your UBS Financial Services Inc. mailing name and address.
 Details are listed below. If you have any questions regarding this notice, or would like to change any existing disbursement instructions, please contact the Manager of the branch servicing your account.

Confirmation date: 01/15/2008

Transaction date	Activity	Quantity/Face value	Description	Net amount/value	Payee/Recipient
01/14/2008	FED FUND WIRE		WIRE# 006409 FED# 0114B6B71K2C003903	\$37,500.00	WELLS FARGO BANK, NA ABA# 121000248 ACCOUNT# [REDACTED] CHRIS AND TAMARA STEPHENS

UBS FINANCIAL SERVICES INC.
345 CALIFORNIA STREET
SUITE #2200
SAN FRANCISCO, CA 94104
D011004903 0000001752000004376 [REDACTED] 0001E

Disbursement

Account Number [REDACTED] PAGE 1 OF 1

Branch Telephone Number 415-398-6400/800-873-0200

Important. Please retain for your records.

JAMES M RHODES [REDACTED]

00004376 [REDACTED]

We confirm the following disbursement transaction(s):
In accordance with your instructions, a disbursement has been made from your account to a recipient and/or address different from your UBS Financial Services Inc. mailing name and address.
Details are listed below. If you have any questions regarding this notice, or would like to change any existing disbursement instructions, please contact the Manager of the branch servicing your account.

Confirmation date: 02/13/2008

Transaction date	Activity	Quantity/Face value	Description	Net amount/value	Payee/Recipient
02/12/2008	FED FUND WIRE		WIRE# 005828 FED# 0212B6B7IK2C002054	\$37,500.00	WELLS FARGO BANK, NA ABA# 121000248 ACCOUNT# [REDACTED] CHRIS AND TAMARA STEPHENS

UBS FINANCIAL SERVICES INC.
ONE CALIFORNIA STREET
SAN FRANCISCO, CA 94111-5435
D011004796 00000017440000042178825072 00001E

Disbursement

Account Number [REDACTED] PAGE 1 OF 1

Branch Telephone Number
415-954-6700/800-826-7014

Important. Please retain for your records.

00004217
JAMES M RHODES [REDACTED]

We confirm the following disbursement transaction(s):
In accordance with your instructions, a disbursement has been made from your account to a recipient and/or address different from your UBS Financial Services Inc. mailing name and address.
Details are listed below. If you have any questions regarding this notice, or would like to change any existing disbursement instructions, please contact the Manager of the branch servicing your account.

Confirmation date: 03 / 13 / 2008

Transaction date	Activity	Quantity/Face value	Description	Net amount/value	Payer/Recipient
03 / 12 / 2008	FED FUND WIRE		WIRE# 005870 FED# 0312B6B7IK2C002790	\$34,500.00	WELLS FARGO BANK, NA ABA# 121000248 ACCOUNT# [REDACTED] CHRIS AND TAMARA STEPHENS

UBS FINANCIAL SERVICES INC.
ONE CALIFORNIA STREET
SAN FRANCISCO, CA 94111-5435
0011005226 000001778000046055825072 0 0001E

Disbursement

Account Number [REDACTED] PAGE 1 OF 1

Branch Telephone Number
415-954-6700/800-826-7014

Important. Please retain for your records.

JAMES M RHODES [REDACTED]

00004605 [REDACTED]

We confirm the following disbursement transaction(s):
In accordance with your instructions, a disbursement has been made from your account to a recipient and/or address different from your UBS Financial Services Inc. mailing name and address. Details are listed below. If you have any questions regarding this notice, or would like to change any existing disbursement instructions, please contact the Manager of the branch servicing your account.

Confirmation date: 05/13/2008

Transaction date	Activity	Quantity/Face value	Description	Net amount/value	Payee/Recipient
05/12/2008	FED FUND WIRE		WIRE# 005955 FED# 0512B6B71K2C002216	\$37,500.00	WELLS FARGO BANK, NA ABA# 121000248 ACCOUNT# [REDACTED] CHRIS AND TAMARA STEVENS

UBS FINANCIAL SERVICES INC.
ONE CALIFORNIA STREET
SAN FRANCISCO, CA 94111-5435
D011005424 000001778000047455825072 0 0001E

Disbursement

Account Number [REDACTED] PAGE 1 OF 1

Branch Telephone Number 415-954-6700/800-826-7014

Important: Please retain for your records.

JAMES M RHODES [REDACTED]

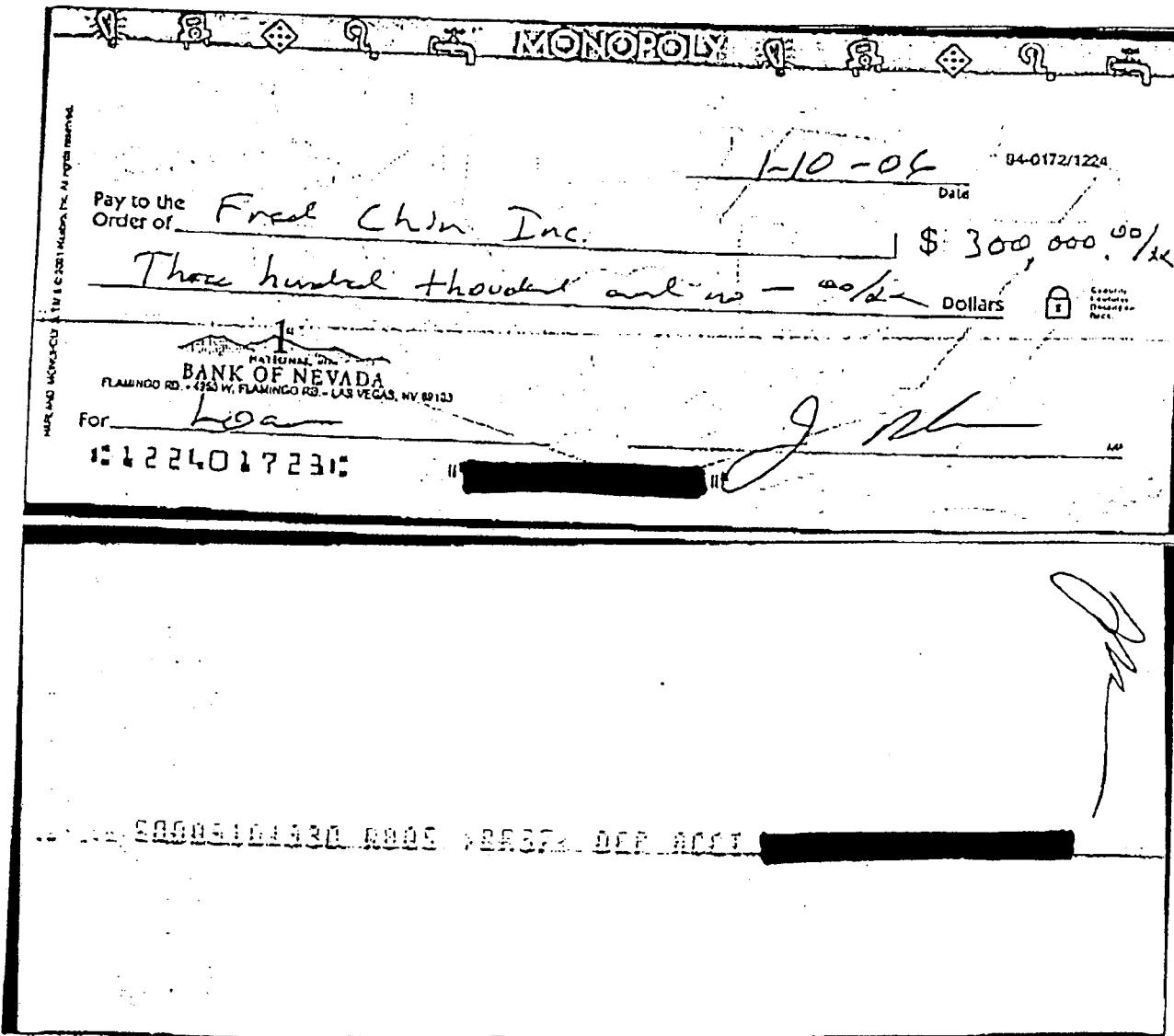
00004745 [REDACTED]

We confirm the following disbursement transaction(s):
In accordance with your instructions, a disbursement has been made from your account to a recipient and/or address different from your UBS Financial Services Inc. mailing name and address. Details are listed below. If you have any questions regarding this notice, or would like to change any existing disbursement instructions, please contact the Manager of the branch servicing your account.

Confirmation date: 06/13/2008

Transaction date	Activity	Quantity/Face value	Description	Net amount/value	Payee/Recipient
06/12/2008	FED FUND WIRE		WIRE# 006473 FED# 0612B6B7IK2C002861	\$37,500.00	WELLS FARGO BANK, NA ABA# 121000248 ACCOUNT# [REDACTED] CHRIS AND TAMARA STEVENS

Page 1 of 1



Account: 58985161130 Date:01-12-2006 Sequence:9101330 Amount:\$300,000.00 Serial:0 TR:122401723 TranCode:0
DBCR:D DDAID:0 CustAcct:0 InstID:7

CHKSTMTS_200402A Pages 8/59-8759

Page 1 of 1

JAMES M RHODES
C/O FRED CHIN
[REDACTED]

Type: 1ST FREE CHECKING

Date: 1/13/06

Account:

Page: 1

[REDACTED] BRANCH-031

[REDACTED] SUMMARY FOR 1ST FREE CHECKING [REDACTED]-----

Great news! 1st National Bank of Nevada has introduced a complete line of credit card products. Whether you want to earn cash back or enjoy the wide range of merchandise or travel rewards, there's a card for you. It's easy to apply - just complete the application at fnbonline.com or stop by one of our branches for an application. Regardless of the product you choose, you pay no interest on purchases and no interest or fees on balance transfers for the first six months. Privately held, family owned, we thank you for banking with us.

STATEMENT SUMMARY

Demand Deposits	105,000.00
-----------------	------------

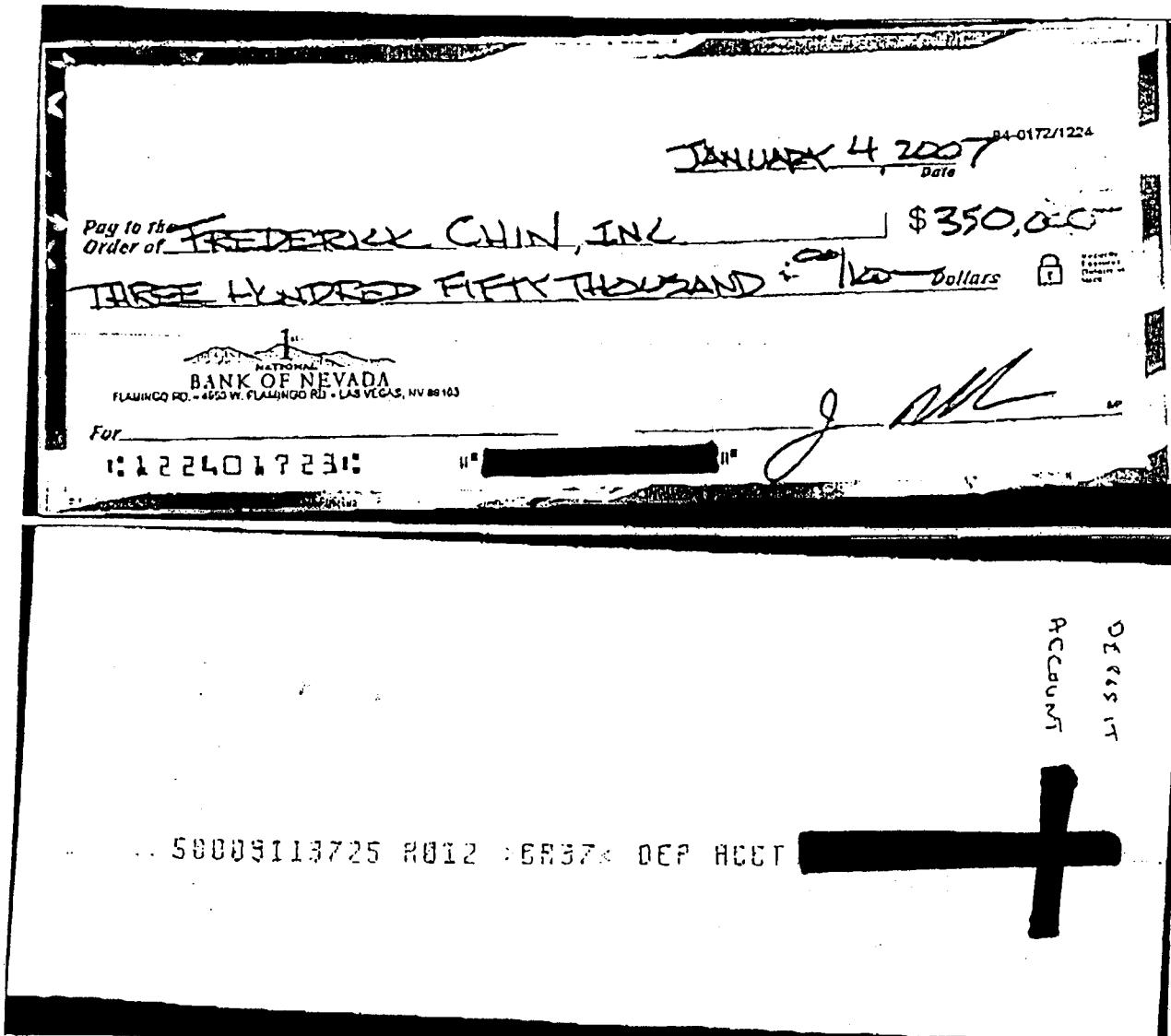
1ST FREE CHECKING	JAMES M RHODES	Acct	[REDACTED]
Beginning Balance	1/12/06	.00	
Deposits / Misc Credits	1	405,000.00	
Withdrawals / Misc Debits	1	300,000.00	
** Ending Balance	1/13/06	105,000.00	**
Service Charge		.00	
Average Balance		60,000	
Average Collected Balance		60,000	
Minimum Balance		29-	

CREDITS

Date	Deposits	Withdrawals	Activity Description
1/13	405,000.00		ADVANCE ON [REDACTED]

MISCELLANEOUS DEBITS

Date	Deposits	Withdrawals	Activity Description
1/12		300,000.00	OVER CT DEBIT



Account: 1224017231 Date:01-05-2007 Sequence:9113725 Amount:\$350,000.00 Serial:999 TR:122401723 TranCode:0
DBCR:D DDAID:0 CustAcct:0 InstID:7

AUG-04-2001(SAT) 12:55

P.016/031

LN1133P2-DEFAULT Pages 8-8

Page 1 of 1

007132

1/11/07

[REDACTED] 6 1/26/07 9.250008

First National Bank of Nevada
 Las Vegas Construction Lending
 P.O. Box 9490
 Scottsdale, AZ 85252-9490

5309.21

132

JAMES M RHODES
 C/O FRED CHIN
 [REDACTED]

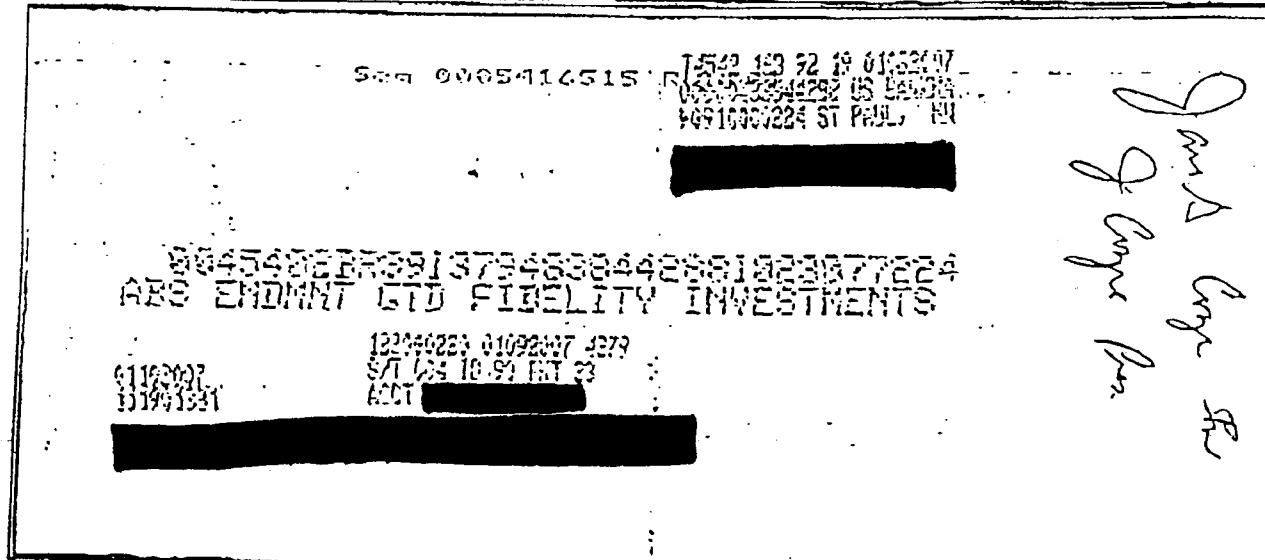
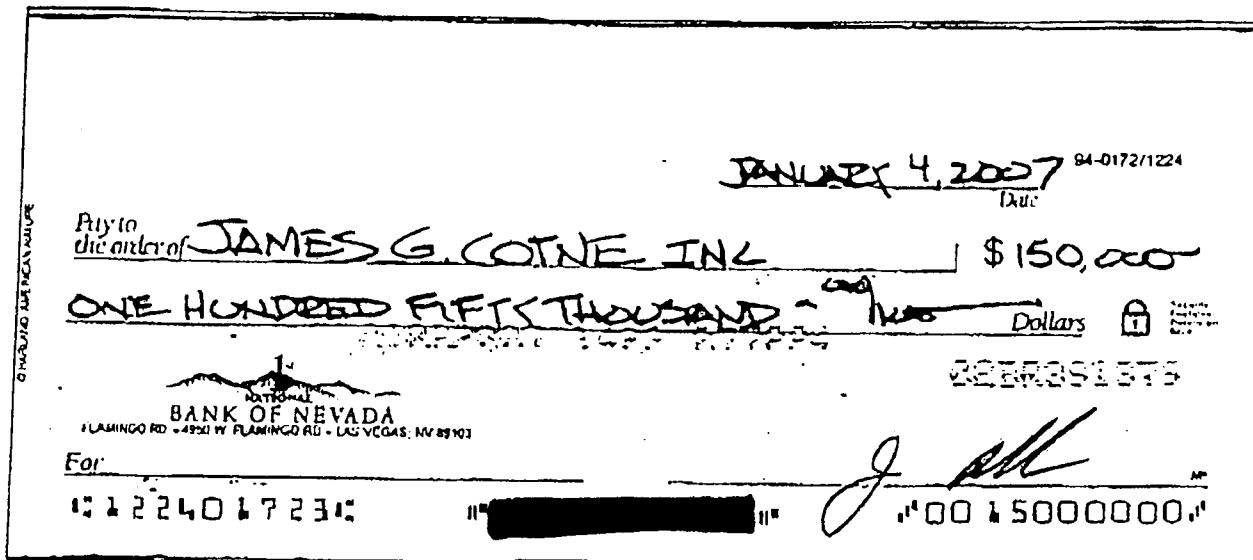
5309.21

702-689-2117

COMMERCIAL LOANS

Acct No	FIRST NATIONAL BANK OF NEVADA	Branch	1/11/07
Beginning Balance	415250.00	Ending Balance	779447.76
- - - - - Current Period Transactions - - - - -			
Eff Date	Description	Principal	Escrow
12/26/06	LOAN FEES/INT	14197.76	.00
		.00	.00
12/26/06	INTEREST PAYMENT	.00	.00
		3947.76	.00
1/05/07	PRINCIPAL ADVANCE	350000.00	.00
		.00	.00
- - - - - Prior Period Transactions - - - - -			
Eff Date	Description	Principal	Escrow
12/01/06	REGULAR PAYMENT	.00	.00
		3307.50	165.37

A Late Charge of 265.46 will be assessed if payment received after 2/06/07.



Account: [REDACTED] Date:01-10-2007 Sequence:5416515 Amount:\$150,000.00 Serial:999 TR:122401723 TranCode:0
DBCR:D DDAID:0 CusAcct:0 InstID:7

AUG-04-2001(SAT) 12:55

P.017/031

LN1133P2-DEFAULT Pages 21-21

Page 1 of 1

007132

2/09/07

[REDACTED] 6 2/26/07 9.25000%

First National Bank of Nevada
 Las Vegas Construction Lending
 P.O. Box 67088
 Phoenix, AZ 85002-7088

7788.73

132

JAMES H RHODES
 C/O FRED CHIN

7788.73

[REDACTED]
702-889-2117

COMMERCIAL LOANS

Acct No	FIRST NATIONAL BANK OF NEVADA	Branch	132
Beginning Balance	779447.76	Ending Balance	929447.76
- - - - - Current Period Transactions - - - - -			
Trn Date	Description	Principal	Escrow
1/16/07	PRINCIPAL ADVANCE	150000.00	.00
		.00	.00
2/05/07	REGULAR PAYMENT	.00	.00
		5309.21	.00

A Late Charge of 389.44 will be assessed if payment received after 3/09/07.

OMB No. 2502-0265

A. U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT SETTLEMENT STATEMENT		B. TYPE OF LOAN
		1. <input type="checkbox"/> FHA 2. <input type="checkbox"/> FHMA 3. <input type="checkbox"/> CONV. UNINS.
		4. <input type="checkbox"/> VA 5. <input type="checkbox"/> CONV. INS.
		6. FILE NUMBER: 08-10-0251-SC 7. LOAN NUMBER: 1301410002
		8. MORTGAGE INS. CASE NO.:

C. NOTE: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "(p.o.c.)" were paid outside the closing; they are shown here for informational purposes and are not included in the totals.

D. NAME & ADDRESS OF BORROWER: Spirit Underground LLC, a Nevada limited liability company
3525 W. Hacienda Avenue, Suite "C", Las Vegas, NV 89118

E. NAME & ADDRESS OF SELLER: Rhodes Ranch General Partnership, a Nevada General Partnership
4730 S. Ft. Apache #300, Las Vegas, NV 89147

F. NAME & ADDRESS OF LENDER: Mutual Of Omaha Bank

G. PROPERTY LOCATION: 3525 W. Hacienda Avenue, Las Vegas, NV 89118

H. SETTLEMENT AGENT: Nevada Title Company
PLACE OF SETTLEMENT: 2500 N. Buffalo Drive, Suite 150, Las Vegas, NV 89128 (702) 251-5000

I. SETTLEMENT DATE: 11/13/2008 Final

J. Summary of Borrower's Transaction		K. Summary of Seller's Transaction	
100. Gross Amount Due From Borrower:		400. Gross Amount Due To Seller:	
101. Contract sales price	1,200,000.00	401. Contract sales price	1,200,000.00
102. Personal property		402. Personal property	
103. Settlement charges to borrower: (line 1400)	35,519.97	403. Initial Deposit To Escrow	46,503.65
104.		404.	
105.		405.	
Adjustments For Items Paid By Seller In Advance:		Adjustments For Items Paid By Seller In Advance:	
106. City/town taxes	to	406. City/town taxes	to
107. County taxes	to	407. County taxes	to
108. Assessments	to	408. Assessments	to
109.		409.	
110.		410.	
111.		411.	
112.		412.	
113.		413.	
114.		414.	
115.		415.	
116.		416.	
120. Gross Amount Due From Borrower:	1,235,519.97	420. Gross Amount Due To Seller:	1,246,503.65
200. Amounts Paid By Or In Behalf Of Borrower:		500. Reductions In Amount Due To Seller:	
201. Deposit or earnest money	100,000.00	501. Excess deposit (see instructions)	
202. Principal amount of new loan(s)	1,100,000.00	502. Settlement charges to seller (line 1400)	
203. Existing loan(s) taken subject to		503. Existing loan(s) taken subject to	
204. Initial Deposit To Escrow	24,519.97	504. Payoff 1st Mtg. Ln. City National Bank	627,704.78
205. Additional Deposits To Escrow	11,000.00	505. Payoff 2nd Mtg. Ln. Greenway Partners, LLC	518,604.44
206.		506. Deposit To Seller	100,000.00
207.		507.	
208.		508.	
209.		509.	
Adjustments For Items Unpaid By Seller:		Adjustments For Items Unpaid By Seller:	
210. City/town taxes	to	510. City/town taxes	to
211. County taxes	to	511. County taxes	to
212. Assessments	to	512. Assessments	to
213.		513.	
214.		514.	
215.		515.	
216.		516.	
217.		517.	
218.		518.	
219.		519.	
220. Total Paid By/For Borrower:	1,235,519.97	520. Total Reductions In Amount Due Seller:	1,246,309.22
300. Cash At Settlement From/To Borrower:		600. Cash At Settlement From/To Seller:	
301. Gross amount due from borrower (line 120)	1,235,519.97	601. Gross amount due to seller (line 420)	1,246,503.65
302. Less amount paid by/for borrower (line 220)	1,235,519.97	602. Less reductions in amount due seller (line 520)	1,246,309.22
303. Cash (<input type="checkbox"/> FROM) (<input type="checkbox"/> TO) Borrower:	0.00	603. Cash (<input checked="" type="checkbox"/> TO) (<input type="checkbox"/> FROM) Seller:	194.43

Previous Edition Is Obsolete
Form No. 1581
3/86

SB-4-3538-000-1
HUD-1 (3-86)
RESPA, HB 4305.2

X _____
X _____

Page 1 of 3 X
X _____

L.	SETTLEMENT	CHARGES	Esc	8-10-0251-SC	
				Paid From Borrower's Funds At Settlement	Paid From Seller's Funds At Settlement
700. Total Sales/Broker's Commission:					
Based On Price \$	1,200,000.00	@	% =		
Division of Commission (line 700) As Follows:					
701. \$ to					
702. \$ to					
703. Commission paid at settlement					
704.					
800. Items Payable In Connection With Loan:					
801. Loan Origination fee	% Mutual Of Omaha Bank			11,000.00	
802. Loan Discount	%			3,500.00	
803. Appraisal fee to: Mutual Of Omaha Bank					
804. Credit report to:					
805. Lender's inspection fee					
806. Mortgage insurance application fee to					
807. Assumption fee				500.00	
808. Appraisal Review Fee To: Mutual Of Omaha Bank				500.00	
809. Document Preparation To: Mutual Of Omaha Bank				24.00	
810. Flood Certification Fee To: Mutual Of Omaha Bank				128.00	
811. Tax Service Fee To: Mutual Of Omaha Bank				19.00	
812. UCC Search Fee To: Mutual Of Omaha Bank				20.00	
813. UCC Filing Fee To: Mutual Of Omaha Bank				1,800.00	
814. Environmental/Phase 1 Fee To: Mutual Of Omaha Bank					
815.					
816.					
817.					
818.					
819.					
820.					
821.					
900. Items Required By Lender To Be Paid In Advance:					
901. Interest from to @\$ /day (0 days)					
902. Mortgage insurance premium for mo. to					
903. Hazard insurance premium for yrs. to					
904. Flood insurance premium for yrs. to					
905.					
906.					
1000. Reserves Deposited With Lender:					
1001. Hazard insurance 0 months @ \$ 0.00 per month					
1002. Mortgage insurance 0 months @ \$ 0.00 per month					
1003. City property taxes 0 months @ \$ 0.00 per month					
1004. County property taxes 0 months @ \$ 0.00 per month					
1005. Annual assessments 0 months @ \$ 0.00 per month					
1006. Flood insurance 0 months @ \$ 0.00 per month					
1007. 0 months @ \$ 0.00 per month					
1008. Aggregate Adjustment					
1009.					
1100. Title Charges:					
1101. Settlement or closing fee to Nevada Title Company				1,317.00	
1102. Abstract or title search to					
1103. Title examination to					
1104. Title insurance binder to				150.00	
1105. Document preparation to Nevada Title Company					
1106. Notary fees to					
1107. Attorney's fees to (includes above item Numbers:)					
1108. Title insurance to Nevada Title Company (includes above item Numbers:)				3,913.00	
1109. Lender's coverage \$ 1,100,000.00 Premium: \$ 888.00					
1110. Owner's coverage \$ 1,200,000.00 Premium: \$ 3,025.00					
1111. Inspection Fee to Nevada Title Company				110.00	
1112. Inspection Fee to Nevada Title Company				195.00	
1113. 100.29 & 103.3 Endorsements to Nevada Title Company				50.00	
1114.					
1200. Government Recording and Transfer Charges:					
1201. Recording fees: Deed \$ 25.00 Mortgage \$ 75.00 Releases \$ 25.00				125.00	
1202. City/county tax/stamps: Deed \$ 6,120.00 Mortgage \$ 0.00				6,120.00	
1203. State tax/Stamps: Deed \$ 0.00 Mortgage \$ 0.00				25.00	
1204. Record Assignment of Rents to Nevada Title Company				25.00	
1205. Record UCC-1 to Nevada Title Company					
1300. Additional Settlement Charges:					
1301. Survey to					
1302. Pest inspection to				2,524.17	
1303. Property Tax to Clark County Treasurer-08/09 2nd Qtr Taxes				3,474.80	
1304. Property Tax to Clark County Treasurer-08/09 1st Half Taxes					
1305.					
1306.					
1307.					
1308.				35,519.97	
1400. Total Settlement Charge (Enter on line 103, Section J - and - line 502, Section K)					

SELLER'S AND/OR BORROWER'S STATEMENT

Escrow: 08-10-0251-SC

I have carefully reviewed the HUD-1 Settlement Statement and to the best of my knowledge and belief, it is a true and accurate statement of all receipts and disbursements made on my account or by me in this transaction. I further certify that I have received a copy of the HUD-1 Settlement Statement.

The HUD-1 Settlement Statement which I have prepared is a true and accurate account of this transaction. I have caused or will cause the funds to be disbursed in accordance with this statement.

Settlement Agent: _____ Date: _____

Susan Coleman, Nevada Title Company

WARNING: It is a crime to knowingly make false statements to the United States on this or any other similar form. Penalties upon conviction can include a fine or imprisonment. For details see: Title 18 U.S. Code Section 1001 and Section 1010.

ATTACHMENT TO HUD 1
Settlement Date: 11/13/2008

Escrow No.: 08-10-0251-SC
Title No.: 08-10-0251-SC
Page: 1

EXHIBIT A: (HUD Section 500)

Reductions In Amount Due To Seller: - Loan Payoff Breakdown:

City National Bank

Principal Balance To: City National Bank	622,059.41
Interest From / / to 11/03/2008 To: City National Bank	4,009.73
Statement / Demand Fee To: City National Bank	30.00
Reconveyance Fee To: City National Bank	45.00
Recording Fee To: City National Bank	40.00
Interest Per Diem From 11/03/2008 to 11/14/2008 @ \$ 138.2400 To: City National Ba	1,520.64
Total:	627,704.78

Greenway Partners, LLC

Principal Balance To: Greenway Partners, LLC	500,000.00
Wire Transfer Fee To: Greenway Partners, LLC	35.00
Interest From 5/07/2008 to 11/14/2008 To: Greenway Partners, LLC	18,569.44
Total:	518,604.44

**NOTE SECURED BY DEED OF TRUST
(Straight Note)**

\$ 500,000.00

Re: Escrow No. 07-11-0119-SC
Las Vegas, Nevada
Date: November 7, 2007

On or before November 7, 2008, for value received, the undersigned promise to pay to **Greenway Partners, LLC**, a Nevada limited-liability company, or order at 5737 West 146th Street, Overland Park, KS 66223, or as directed, the sum of **FIVE HUNDRED THOUSAND AND NO/100 DOLLARS** (\$500,000.00), with interest from the 7th day of May, 2008, at the rate of **seven (7.0%)** per cent per annum, payable together with and in addition to the principal balance due hereunder.

Should default be made in payment of any principal or interest or in performance of any obligation contained in Deed of Trust by which this note is secured, the whole sum of principal and interest shall become immediately due at the option of the holder hereof. Principal and interest payable in lawful money of the United States. If action be instituted in any Court to enforce any obligation secured by such Deed of Trust, undersigned promise to pay such sum as the court may fix as attorney's fees in said action. This Note is secured by a DEED OF TRUST, of even date herewith to NEVADA TITLE COMPANY, a Nevada corporation, as Trustee.

Rhodes Ranch General Partnership, a Nevada
general partnership

By: James M. Rhodes, President



***DO NOT DESTROY THIS NOTE: When paid, this Note with Deed of Trust securing same
Must be surrendered to Trustee for cancellation before reconveyance will be made.***

Entity Details - Secretary of State, Nevada

Page 1 of 2

GREENWAY PARTNERS, LLC**Business Entity Information**

Status:	Active	File Date:	1/11/2006 2:57:06 PM
Type:	Domestic Limited-Liability Company	Corp Number:	E0013422006-5
Qualifying State:	NV	List of Officers Due:	1/31/2010
Managed By:	Managers	Expiration Date:	

Registered Agent Information

Name:	JAMES G COYNE	Address 1:	3230 POLARIS AVE #11
Address 2:		City:	LAS VEGAS
State:	NV	Zip Code:	89102
Phone:		Fax:	
Mailing Address 1:		Mailing Address 2:	
Mailing City:		Mailing State:	NV
Mailing Zip Code:			
Agent Type:	Noncommercial Registered Agent		

Financial Information

No Par Share Count:	0	Capital Amount:	\$ 0
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No stock records found for this company

Officers Include Inactive Officers

Manager - FREDERICK E CHIN

Address 1:	3230 POLARIS AVE #11	Address 2:	
City:	LAS VEGAS	State:	NV
Zip Code:	89102	Country:	
Status:	Active	Email:	

Manager - JAMES G COYNE

Address 1:	3230 POLARIS AVE #11	Address 2:	
City:	LAS VEGAS	State:	NV
Zip Code:	89102	Country:	
Status:	Active	Email:	

Actions\Amendments

Action Type:	Articles of Organization		
Document Number:	20060016344-26	# of Pages:	1
File Date:	01/11/2006	Effective Date:	
(No notes for this action)			
Action Type:	Initial List		
Document Number:	20060142841-18	# of Pages:	1
File Date:	03/06/2006	Effective Date:	
(No notes for this action)			
Action Type:	Annual List		
Document Number:	20070019606-71	# of Pages:	1
File Date:	01/10/2007	Effective Date:	
07-08			
Action Type:	Registered Agent Change		
Document Number:	20070019607-82	# of Pages:	1

Entity Details - Secretary of State, Nevada

Page 2 of 2

File Date:	01/10/2007	Effective Date:	
(No notes for this action)			
Action Type:	Annual List		
Document Number:	20080076450-12	# of Pages:	1
File Date:	01/31/2008	Effective Date:	
08-09			
Action Type:	Registered Agent Address Change		
Document Number:	20080296150-43	# of Pages:	222
File Date:	04/29/2008	Effective Date:	
(No notes for this action)			
Action Type:	Annual List		
Document Number:	20090069635-10	# of Pages:	1
File Date:	01/22/2009	Effective Date:	
09/10			
Action Type:	Registered Agent Change		
Document Number:	20090069636-21	# of Pages:	1
File Date:	01/22/2009	Effective Date:	
(No notes for this action)			

The Journal Entries outlined below were entered to help "true-up" the allocation of overhead for 2007.

Issue: Support for entry has been lost, and not sure if it covered all of 2007. No allocation amount for other personnel

Does not represent an amount currently due, just used in other calculations

Date	Account	Description	DR	CR
		Rhodes Design & Development		
9/30/2007	rdd-0000-65-7640.0000	Salary - Cassidy	17,653.85	
	rdd-0000-65-7640.0000	Salary - Popek	1,500.00	
	rdd-0000-65-7640.0000	Salary - Roroe	3,163.44	
	rdd-0000-65-7640.0000	Salary - Priddy	89,342.26	
	rdd-0000-70-7640.0000	Salary - Rahill	45,769.22	
	rdd-0000-60-7640.0000	Salary - Rodriguez	92,200.00	
	rdd-0000-60-7640.0000	Salary - Darragh	57,522.22	
	rdd-0000-75-7640.0000	Salary - Salvatore	25,000.04	
	rdd-0000-65-7500.0000	Payroll Tax Expense - Cassidy	1,350.52	
	rdd-0000-65-7500.0000	Payroll Tax Expense - Popek	114.75	
	rdd-0000-65-7500.0000	Payroll Tax Expense - Roroe	242.00	
	rdd-0000-65-7500.0000	Payroll Tax Expense - Priddy	7,776.41	
	rdd-0000-70-7500.0000	Payroll Tax Expense - Rahill	656.11	
	rdd-0000-60-7500.0000	Payroll Tax Expense - Rodriguez	6,250.20	
	rdd-0000-60-7500.0000	Payroll Tax Expense - Darragh	3,898.07	
	rdd-0000-75-7500.0000	Payroll Tax Expense - Salvatore	1,897.59	
	rdd-0000-00-2810.1000	Interco NP - Heritage	354,336.68	

Reclass salary for factory - GL batch 6130

The Rhodes Companies				
9/30/2007	rco-0000-01-7640.0000	Salary - Coyne	112,403.08	
	rco-0000-01-7640.0000	Salary - Stevens	473,077.02	
	rco-0000-01-7500.0000	Payroll Tax Expense - Coyne	7,668.86	
	rco-0000-01-7500.0000	Payroll Tax Expense - Stevens	12,827.27	
	rco-0000-00-1250.1000	DFA - Heritage	593,148.96	

Reclass salary for factory - GL batch 6130

Heritage Land				
9/30/2007	hlc-0000-00-1250.0006	DFA - Desert Communities	960,312.91	
	hlc-0000-00-1240-0001	Interco NR - Rhodes Design	354,336.68	
	hlc-0000-00-2190.2000	DTA - Rhodes Companies	605,976.23	

Reclass salary for factory - GL batch 6131

Desert Communities				
9/30/2007	dci-0000-01-7640.0000	Salaries	917,631.13	
	dci-0000-01-7500.0000	Payroll Tax Expense	42,681.78	
	dci-0000-00-2190.1000	DTA - Heritage	960,312.91	

Reclass salary from RDD & RCO - GL batch 5107

12/31/2007	dci-0000-00-2190.1000	DTA - Heritage	960,312.91	
	dci-0000-00-3300.0015	Equity - SEI		960,312.91

Adjust coding on HLC amount - batch 5173

Heritage Land				
12/31/2007	hlc-0000-00-1240.0043	Interco NR - Pinnacle Grading	960,312.91	
	hlc-0000-00-1250.0006	DFA - Desert Communities	960,312.91	

Adjust coding on DCI amount - batch 6457

Sagebrush Enterprises				
12/31/2007	sei-0000-00-1940.0006	Investment - DCI	960,312.91	
	sei-0000-00-1940.0049	Investment - Pinnacle Eq. Rental		960,312.91

Adjust coding on DCI amount - batch 6457

Pinnacle Grading LLC				
12/31/2007	120-00-2150.0049	DTA - Pinnacle Eq. Rental	960,312.91	
	120-00-2610.0001	Heritage LOC		960,312.91
	125-00-3350.0049	Distribution to SEI	960,312.91	
	125-00-1300.0043	Due from Pinnacle Grading		960,312.91

Adjust Pinnacle-DCI-HLC - batch 742

Per Jim Rhodes, the following 3 employees had a large portion of their salaries paid outside the company from his personal funds.
 Per his request, this calculation is made to estimate what could possibly be owed by the credit facility if it paid the extra amounts instead of Jim.
 Issue: To date there are no company contracts produced that shows the company was liable for the higher rate.

Approx Time Allocations

Fred Chin Per Dec 9, 2008 Conversation
 Start Date 4/12/2004
 End Date 3/27/2007

		Approx 36 Months Total			
		Months	Inside	Outside	Total
Start to March 2005 - Rhodes Homes 100% inside		11.5	100%		100%
March 2005 -> Dec 2005 2/3 Inside 1/3 outside		9.5	66.67%	33.33%	100%
Jan 2006 -> July 2006 100% Westland (outside)		7		100%	100%
July 2006 -> Nov 2006 Outside on AZ inv prop		4	100%	100%	100%
Nov 2006 -> March 2007 100% inside		4		100%	100%
Total		36	60.65%	39.35%	100.00%
Payroll Rate					

Cash Paid					
Payroll 4/12/2004 -> End of 2005		20.5	\$ 683,333.33		
2006 Payroll			\$ 131,527.31	\$ 400,000	
2007 Payroll					
First National/FDIC Loan		\$ 990,755.26			
Per 12/25/07 Stmt			\$ 125,000.00	\$ 689,221.05	
11/1/08 RDD 1099 Cash Pmt					
Total Paid			\$ 939,860.64	\$ 1,089,221.05	\$ 2,029,081.69
Correct Distribution			\$ 1,230,600.47	\$ 798,481.22	\$ 2,029,081.69
Overpayment/(underpayment)					
			\$ (290,739.83)	\$ 290,739.83	

James Coyne Per 1/12/09 Conversation

Start Date 5/7/2004
 End Date 11/1/2007

		Approx 42 Months			
		Months	Inside	Outside	Total
Start to March 2005 - Rhodes Homes 100% inside		10.5	100%		100%
March 2005 -> Dec 2005 85% MH Land, 15% Sp Hills		9.5	15%	85%	100%
Jan 2006 -> July 2006 100% Westland (outside)		7		100%	100%
July 2006 -> March 07 (MH Cty 90% split Pravada and Outside, 10% Inside)		8	55%	45%	100%
April -> July '07 trying to start Pix Homebuilding		4		100%	100%
Aug '07 -> End Multifamily 50% inside / 50% outside		3	50%	50%	100%
Total		42	42%	58%	100%

Carroll, DeDinner, Inc. (FD)

Payroll 5/7/04 -> End of 2005	18.75	\$ 281,250.00	180000	
2006 Payroll		1,124,03.08		Calculation based on Time and Salary
2007 RHA Payroll		79842.92		Calculation based on Time and Salary
2007 The Rhodes Companies Payroll		(120,071.94)	120,071.94	From Payroll Records
2007 OH True Up entry (GL Batch 6130)				From Payroll Records
Total Paid		\$ 353,424.06	\$ 300,071.94	\$ 653,496.00
Correct Distribution		\$ 277,346.81	\$ 375,149.19	\$ 653,496.00
Overpayment/(underpayment)		\$ 76,077.25	\$ (76,077.25)	

Chris Stephens Per Dec 11, 2008 Conversation
 Start Date 6/12/2006
 End Date 6/25/2008

Pravada Entitlement Work Allocation	Inside	Outside	Allocation based on John Gall letter and Slater Hanifan drainage study				
			Months	Pravada	Inside	Pravada Split:	Other Outside
1st 8 Months all Pravada	8	100%		45.0%		55.0%	
After that 60% Pravada/ 40% Other Outside Credit	16	60%		27.0%		33.0%	40%
Total	24	73.33%		32.00%		40.33%	26.67%
Total Inside				33.00%			
Total Outside				67.00%			
				<u>100%</u>			

RDD Payroll 2006	\$ 209,230.83		From Payroll Records
The Rhodes Companies 2007 Payroll	\$ 550,000.12		From Payroll Records
RDD Payroll 2008	\$ 345,384.62		From Payroll Records
2007 OH True Up entry (GL Batch 6130)	\$ (485,904.29)	\$ 485,904.29	From Matt Palleschi - UBS
2006 UBS ACT ADD'L Com	\$ 1,225,000.00		From Matt Palleschi - UBS
2007 UBS ACT ADD'L Com	\$ 450,000.00		From Matt Palleschi - UBS
2008 UBS ACT ADD'L Com	\$ 150,000.00		From Matt Palleschi - UBS
Total Paid	\$ 618,711.28	\$ 2,310,904.29	\$ 2,929,615.57
Correct Distribution	\$ 966,773.14	\$ 1,962,842.43	\$ 2,929,615.57
Overpayment/(underpayment)	\$ (348,061.86)	\$ 348,061.86	

Chris L. Stephens, former CFO

Per Jim Rhodes, the following 3 employees had a large portion of their salaries paid outside the company from his personal funds. This calculation is made to estimate what could possibly be owed by the credit facility if it paid the extra amounts instead of Jim.

Approx Time Allocations

Fred Chin		Per Dec 9, 2008 Conversation	Approx 36 Months Total			Total
Start Date	End Date	4/12/2004	3/27/2007	Months	Inside	
Start to March 2005 - Rhodes Homes 100% inside				11.5	100%	100%
March 2005 -> Dec 2005 2/3 Inside 1/3 outside				9.5	66.67%	33.33%
Jan 2006 -> July 2006 100% Westland (outside)				7	50%	50%
July 2006 -> Nov 100% Outside on AZ inv prop				4	50%	50%
Nov 2006 -> March 2007 100% inside				4	100%	100%
Total				36	75.93%	24.07%
						100.00%

Dayroll Data

Cash Paid
Payroll 4/12/2004 -> End of 2005
2006 Payroll
2007 Payroll
First 12/25/07 FDCI Loan
Per 12/25/07 Stmt
11/1/107 RRD 1099 Cash Pmt
Sprint Underground Building

Overpayment // Underpayment

290

100

Payroll 5/7/04 -> End of 2005	18.75	\$ 281,250.00	\$ 150,000.00	paid as lc
2006 Payroll		180,000.08		Calculation based on Time and Salary
2007 RHA Payroll		112,403.08		Calculation based on Time and Salary (We recvd w-2 from Sedora Holdings)
2007 The Rhodes Companies Payroll		79,842.92		From Payroll Records
2007 OH True Up entry (GL Batch 6130)		(120,071.94)	\$ 120,071.94	From Payroll Records
Spirit Underground Building			\$ 155,172.41	
Total Paid		\$ 533,424.14	\$ 425,244.35	\$ 958,668.49
Correct Distribution		\$ 486,752.52	\$ 471,915.98	\$ 958,668.49
Overpayment/(underpayment)		\$ 46,671.62	\$ (46,671.62)	

Chris Stephens Per Dec 11, 2008 Conversation

Start Date 6/12/2006
End Date 6/25/2008

Approx 24 Months

Pravada Entitlement Work Allocation	Inside	Outside	Pravada Split	Outside	Other Outside
	90%	10%	Inside	10.0%	40%
1st 8 Months all Pravada	8	100%	90.0%	10.0%	
After that 60% Pravada/40% Other Outside Credit	16	60%	54.0%	6.0%	
Total	24	73.33%	66.00%	7.33%	26.67%
	Total Inside		66.00%		
	Total Outside		34.00%		
			<u><u>100%</u></u>		

RDD Payroll 2006	\$ 209,230.83	From Payroll Records	
The Rhodes Companies 2007 Payroll	\$ 550,000.12	From Payroll Records	
RDD Payroll 2008	\$ 356,891.24	From Payroll Records	
2007 OH True Up entry (GL Batch 6130)	(485,904.29)	485,904.29	
2006	\$ 1,225,000.00	From Matt Paleschi - UBS	
2007	\$ 412,500.00	From Matt Paleschi - UBS	
2008	\$ 184,500.00	From Matt Paleschi - UBS	
Total Paid	\$ 630,217.90	\$ 2,307,904.29	\$ 2,938,122.19
Correct Distribution	\$ 1,939,160.65	\$ 986,961.54	\$ 2,938,122.19
Overpayment/(underpayment)	\$ (1,308,942.75)	\$ 1,308,942.75	

Reopened by AAAA

	Adjusted Inside/Outside Book	Correct Inside Salary	Adjustment Needed
Inside			
Chin	1,327,164.29	1,762,993.83	435,829.54
Coyne	533,424.14	486,752.52	(46,671.62)
Stephens	630,217.90	1,939,160.65	<u>1,308,942.75</u>
			<u>1,698,100.66</u>
Outside			
Chin		558,998.05	558,998.05
Coyne	120,071.94	471,915.98	351,844.04
Stephens	485,904.29	998,961.54	<u>513,057.25</u>
			<u>1,423,899.34</u>

Journal Entries

Rhodes Design & Development

Due to J. Rhodes	389,157.92
Salary Expense	389,157.92
To record compensation paid personally	

Rhodes Homes Arizona

Due to J. Rhodes	1,308,942.75
Salary Expense	1,308,942.75
To record compensation paid personally	

Sagebrush Enterprises

Due to J. Rhodes	1,423,899.34
Salary Expense	1,423,899.34
To record compensation paid personally	